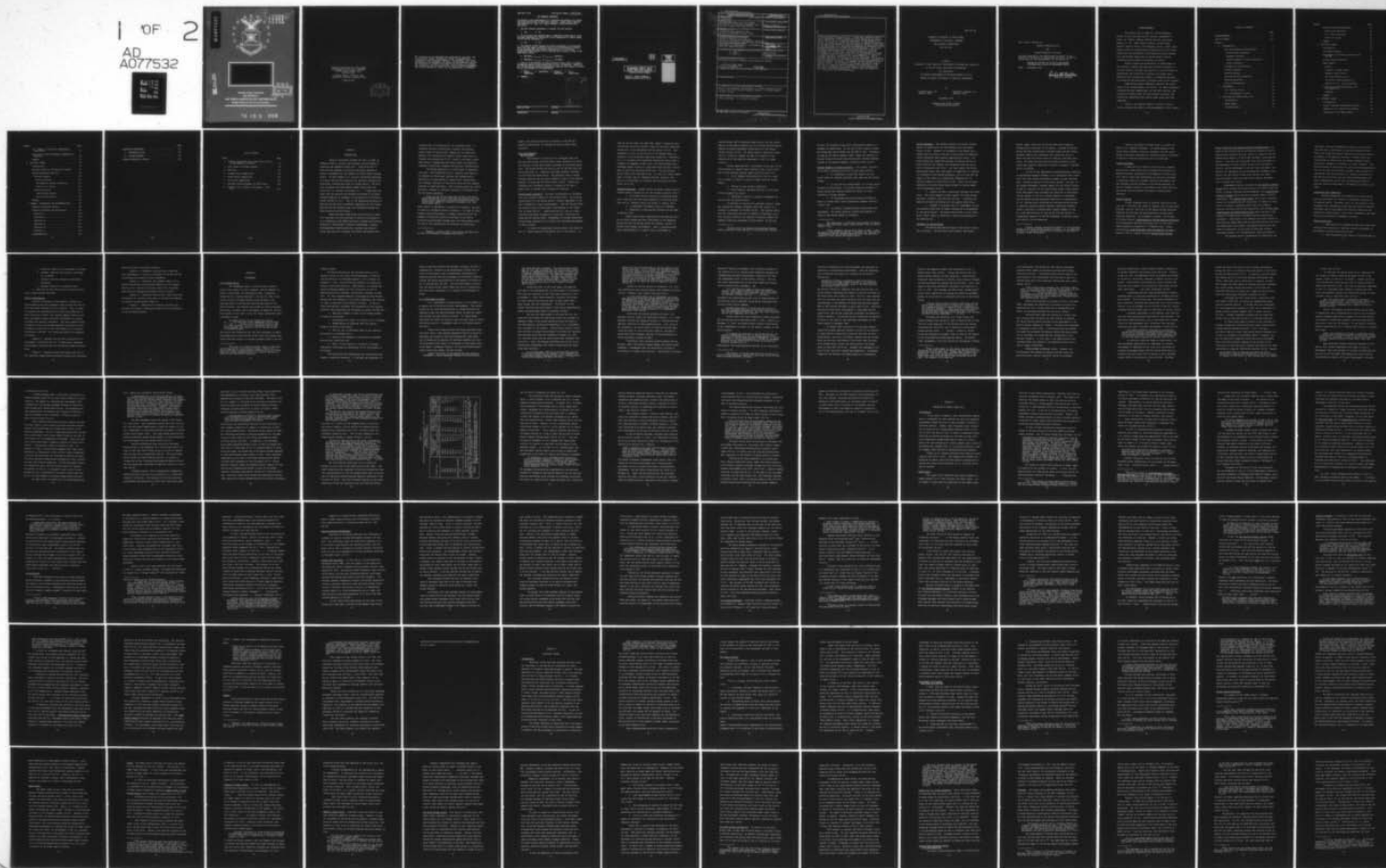


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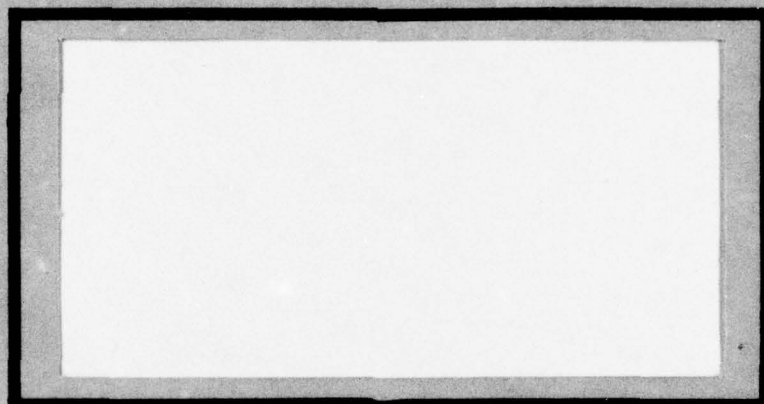


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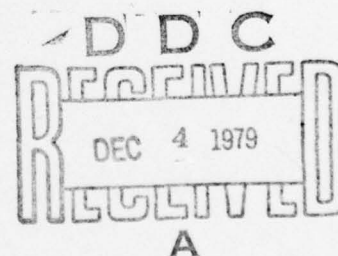
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SECURITY ASSISTANCE TO SOUTH KOREA:  
ASSESSMENT OF POLITICAL, ECONOMIC  
AND MILITARY ISSUES FROM  
1975 TO 1979

Wilhelm Bolles, Captain, USAF  
Malcolm H. Perkins, Captain, USAF

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| 1. REPORT NUMBER<br>LSSR-28-79B  | 2. GOVT ACCESSION NO. | 3. RECIPIENT'S CATALOG NUMBER                                  |
| 4. TITLE (and Subtitle)<br>SECURITY ASSISTANCE TO SOUTH KOREA:<br>ASSESSMENT OF POLITICAL, ECONOMIC AND<br>MILITARY ISSUES FROM 1975 TO 1979.  |                       | 5. TYPE OF REPORT & PERIOD COVERED<br>Master's Thesis          |
| 7. AUTHOR(s)<br>Wilhelm Bolles, Captain, USAF<br>Malcolm H. Perkins, Captain, USAF   |                       | 6. PERFORMING ORG. REPORT NUMBER                               |
| 9. PERFORMING ORGANIZATION NAME AND ADDRESS<br>Graduate Education Division<br>School of Systems and Logistics<br>Air Force Institute of Technology, WPAFB OH   |                       | 8. CONTRACT OR GRANT NUMBER(s)                                 |
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| 14. MONITORING AGENCY NAME & ADDRESS (if different from Controlling Office)<br>(12) 765  |                       | 12. REPORT DATE<br>September 1979                              |
|  |                       | 13. NUMBER OF PAGES<br>150                                     |
|  |                       | 15. SECURITY CLASS. (of this report)<br>UNCLASSIFIED           |
|  |                       | 15a. DECLASSIFICATION/DOWNGRADING<br>SCHEDULE                  |
| 16. DISTRIBUTION STATEMENT (of this Report)<br>Approved for public release; distribution unlimited<br><br>JOSEPH P. HIPPS, Major, USAF<br>Director of Information<br>1 OCT 1979  |                       |  |
| 17. DISTRIBUTION STATEMENT (of the abstract entered in Block 20, if different from Report)   |                       |  |
| 18. SUPPLEMENTARY NOTES  |                       |  |
| 19. KEY WORDS (Continue on reverse side if necessary and identify by block number)<br>Security Assistance, South Korea, U.S.-South Korean Political<br>Issues, U.S.-South Korean Economic Issues, U.S.-South Korean<br>Military Issues |                       |  |
| 20. ABSTRACT (Continue on reverse side if necessary and identify by block number)<br>Thesis Chairman: Dr. Leslie M. Norton   |                       |  |

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Security assistance to South Korea occupies an essential position in United States foreign policy. In the time frame of 1975 to 1979, significant events transpired which affected the conduct and execution of U.S. security assistance to the Republic of Korea. In order to isolate the political, economic and military issues which contributed to the evolution of security assistance to the ROK since 1975, the authors conducted an extensive literature review which is included in the bibliography. Political, economic and military issues which affected U.S. security assistance are identified. The contributions of security assistance to: 1) political stability in the Republic of Korea; 2) economic stability and growth in the Republic of Korea; 3) strategic military balance on the Korean peninsula; and 4) regional stability in Northeast Asia are developed. The authors express opinions as to the future role of security assistance in American-Korean relations, and suggest further research in two specific areas: 1) an analysis of lessons learned in transferring U.S. quality control programs and procedures to the ROK; and 2) examination of South Korea's policy objectives regarding its defense production capacity and the extent of U.S. assistance and participation.

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SECURITY ASSISTANCE TO SOUTH KOREA:  
ASSESSMENT OF POLITICAL, ECONOMIC  
AND MILITARY ISSUES FROM  
1975 TO 1979

A Thesis

Presented to the Faculty of the School of Systems and Logistics  
of the Air Force Institute of Technology  
Air University

In Partial Fulfillment of the Requirements for the  
Degree of Master of Science in Logistics Management

By

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Captain, USAF

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September 1979

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(INTERNATIONAL LOGISTICS MANAGEMENT MAJOR)

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## ACKNOWLEDGMENTS

The authors wish to thank Mr. David Blakemore, Bureau of East Asian and Pacific Affairs, Department of State, Mr. Charles Jameson, Defense Security Assistance Agency, Lt. Col. (USA) Wallace Knowles, International Security Affairs Office, the Pentagon, and Maj. (USAF) Chris Hazard, Office of International Programs for Asia for their cooperation and assistance in providing up-to-date information and personal appraisals of United States security assistance policy toward the Republic of Korea.

Special thanks and appreciation is acknowledged to the friendly, helpful and persistent library personnel at the AFIT School of Systems and Logistics, the AFIT School of Engineering, the University of Dayton, and Wright State University who assisted the authors in assembling the mass of periodical and legislative literature used in the research.

Superlatives cannot adequately describe the contribution of Ms. Suzanne Weber, our typist. Ms. Weber cheerfully tolerated horrible handwriting, cut and paste efforts, and ridiculous suspense dates on such frequent occasions that without her cooperation this thesis might never have been completed.

Finally, the authors thank Dr. Leslie M. Norton for his patience and advice in the development of this thesis.



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## Chapter 1

### INTRODUCTION

Security Assistance includes the sale or grant of defense articles, services and training, and the making of financial and commodity grants (87). After World War II these various elements of Security Assistance emerged as primary instruments for the conduct of United States foreign policy. In that respect, U.S. security assistance developed as a major vehicle for achieving U.S. national interests and objectives, collectively known as foreign policy. The Military Assistance and Sales Manual (MASM) states that the reason for U.S. security assistance is ". . . based upon the tenet that the security and economic well-being of friendly foreign countries is essential to the security of the United States [92:Part I.A-1]." This is the underlying principle of American foreign policy statements beginning with the Truman Doctrine and the Marshall Plan, and continuing through the Nixon Doctrine and Ford Policy.

There are three broad policy areas which are implicitly concerned with the principle of security assistance as it is expressed in the MASM--political, economic and military. Scholars of international relations acknowledge a complex interdependence between political, economic and military issues when they try to deduce the effects and explain the

ramifications of foreign policy of sovereign states. A taxonomic division of political, economic and military issues cannot be precise and, indeed, may be impossible. However, this research will address issues which have influenced the formulation of U.S. security assistance toward South Korea,<sup>1</sup> recognizing that those issues are generally composed of political, economic and military considerations.

The Korean peninsula is a focal point of East-West relations. The formulation of U.S. security assistance to the Republic of Korea must consider the foreign policy objectives of Asian nations in general and, specifically, the strategic interests of the Soviet Union and the regional concerns of Japan and China. Each of these powers has vested political, economic or military interests in Northeast Asia and the Korean peninsula.

China and the Soviet Union have borders with North Korea and provide it with military and economic aid; the United States continues to maintain military forces in South Korea; Japan has extensive investment ties with South Korea [36:1].

Each country is determined to protect its interests, and each of them is a potential source of conflict. In light of these complex interrelationships, it appears imperative that the elements of American security assistance to the ROK be exercised and developed through great care and prudent policy. In view of this multiplicity of interests of these major

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<sup>1</sup>Republic of Korea (ROK), South Korea and Korea will be used interchangeably throughout the thesis.



powers, the course of security assistance in the ROK has definite implications for shaping the future global power structure.

#### East Asia Regional Relationships

The stability of East Asia is contingent upon the policies and actions of world powers whose interests lie there. The concerns of four major powers converge on the Korean peninsula. The United States has been an ally of the ROK since the end of World War II. Japan has developed economic interests in both North and South Korea. The peninsula forms a buffer between Japan and the two major Communist powers of the Peoples Republic of China and the Soviet Union (60:36). These relationships are, therefore, subject to change as the major powers seek to further their respective interests.

United States interests. The power relationships in Northeast Asia are a primary concern of the United States. The ultimate justification for the United States' defense commitment to the ROK is embodied in these relationships. "For the United States, the central issue in these power relationships is the future role of Japan [50:17]." Japan perceives its role as a democratically governed, economically successful, relatively unarmed and non-nuclear power, independent of foreign domination. United States interests are to ensure the continued development of such a future.

In terms of conventional military power, the value of the U.S.-Japan security relationship lies in the Pacific. So

long as the sea lanes are kept open, Japan's industrial base and skilled work force provide a base for military operations second only to the continental United States (50:17). This advantage is a key to the ability of the United States to maintain a truly worldwide logistical capability. Therefore, if it is to retain this logistical flexibility and prevent a struggle for hegemony in East Asia, the United States must seemingly commit itself to a long-term major military involvement in East Asia and South Korea (51). The two driving forces toward this end seem to be: (1) the U.S. treaty commitments to Japan; and (2) Japanese national interests rely heavily on continued U.S. presence and assistance in South Korea (51:17-20).

Japanese interests. Several events of recent history have increased Japan's concern for its own national security (78:7):

1. President Carter's decision to establish diplomatic relations with the People Republic of China and terminate the U.S. defense treaty with Taiwan (1 January 1979).
2. A subsequent Vietnamese victory in Cambodia.
3. Rebellion in Iran and the overthrow of the Shah in February 1979.

These recent events combined with the American failure in South Vietnam may have contributed to the dangerous perception that the United States has adopted a policy of retreat from foreign involvements. Such a situation would cause consternation in a country that is forbidden by

constitutional law<sup>2</sup> to maintain armed forces, and has relied heavily on the Mutual Security Act of 1951 and the 1954 Mutual Defense Assistance Agreement established with the United States (28:100; 25:12). For these reasons, Japan has viewed the U.S. resolve to support the ROK as a measure of the credibility of the American commitment to the U.S.-Japan treaties.

Should Japan perceive a reluctance on the part of the United States to support these treaties, then a split would most likely develop, leaving Japan several options (50):

1. As an adequate substitution for the U.S. presence, attempt to acquire a nuclear arsenal from the United States;
2. Develop its own nuclear capability;
3. Fully mobilize and again develop a first-class military capability; and/or
4. Substitute a Soviet or Chinese arrangement for the one with the United States.

In addition to concern over national security, Japan has substantial economic interests that rely heavily on a strong U.S. presence in the ROK (12:46). The American influence has diminished the risk of conflict in Northeast Asia. This relative stability has secured a favorable climate for Japanese trade and investment in South Korea. By the end

---

<sup>2</sup>Article IX of the Japanese Constitution forbids Japan to maintain armed forces or a war potential (28:100).

of 1972, 379 Japanese firms held a \$160 million capital investment in South Korea. By the end of 1978, Japan's second most important export market was the ROK<sup>3</sup> (7:36). Therefore, so long as the region remains stable, Japan can continue to develop trade with South Korea and possibly develop economic inroads to the Peoples Republic of China as well (9:11).

Peoples Republic of China interests. The primary interests of the PRC in Northeast Asia lie in four areas (28:43):

1. To strengthen its position relative to the Soviet Union by refining relations with Japan and the United States;
2. To ward off the establishment of a strong Soviet foothold in North Korea: the threat being the presence of Soviet forces near Chinese industrial centers in close proximity to Korean borders;
3. To discourage the militarization of Japan or permit a climate which would necessitate Japanese militarization;<sup>4</sup> and
4. To prevent a Japanese-Soviet partnership from developing. The result would be virtual encirclement of China by the Soviet sphere of influence.

---

<sup>3</sup>By comparison, in 1978 forty-one percent of Korea's imports came from Japan versus twenty percent from the United States (7:36).

<sup>4</sup>China remembers the war with Japan in 1894. Japan won easily and gained possession of Formosa, the southern tip of Manchuria and the Liaotung Peninsula with the important seaports of Port Arthur and Dairen (86:8).



Soviet interests. The primary objective of Soviet foreign policy in recent years has been detente with the United States (12:39). However, as evidenced in the Middle East, detente has not stood in the way of the pursuit of important Soviet objectives when specific opportunities arose. The Soviet Union has viewed the presence of American forces in South Korea as the "anchor" that maintains American influence in Northeast Asia (9:57). For that reason, the Soviet Union would likely feel some degree of temptation to increase its influence in the Korean peninsula, vis-a-vis the PRC and Japan, in the event of a significant withdrawal of U.S. military support of South Korea (9:21). There are two major objectives the Soviet Union might attempt to realize under such circumstances (9:21):

1. Counter the PRC's increasing influence over North Korea. This would demand stronger support for North Korean political, economic, and military policies. A possible permutation includes the advocacy of war against South Korea.

2. Attempt to discredit the U.S. commitment in Asia. This measure would play on Japan's perception of abandonment by the United States. The Soviet Union would, in all likelihood, "court" Japan to substitute a Soviet relationship for the American one.

#### Statement of Justification

The Korean peninsula has been a focal point of East-West relations: the four major world powers--the United

States, Japan, China and the Soviet Union have extensive foreign policy interests in the region. Although the United States has been traditionally oriented toward Western Europe, national leaders have recognized the increasing value of North Asia and the Pacific Basin to America's national objectives. The Nixon and Ford Doctrines have directed a trend toward more specific objectives in Korea to support a regional policy of balance.

In view of the importance of American-Korean relations in maintaining regional balance, it is significant that events since 1975 have caused discernable changes in that relationship. Causative factors in 1975 alone include: the fall of the Saigon Government, renewed support for the Yushin<sup>5</sup> Constitution by a majority of the South Korean people, South Korea's Force Improvement Plan including the objective of developing nuclear weapons if the U.S. nuclear umbrella is withdrawn, and the Senate Foreign Relations Committee's re-examination of U.S. foreign policy including our overseas basing posture. In addition, national debate continues regarding President Carter's decision to withdraw major combat elements of the U.S. Army 2nd Division, as well as the cost and nature of compensatory measures to the ROK Government to maintain peace and stability on the peninsula.

---

<sup>5</sup>Yushin, meaning revitalizing reform, is the rallying phrase of the South Korean political system. It is comparable to such U.S. political expressions as Roosevelt's New Deal or Johnson's Great New Society.

Security assistance to South Korea is a major element of U.S. regional influence. An understanding of the issues which influence security assistance, and the contribution of security assistance to regional balance is necessary if America's national objectives are to be achieved.

#### Problem Statement

A need exists to identify the political, economic and military issues which have influenced the execution of American security assistance to the Republic of Korea since 1975, and to assess the contribution of security assistance to political stability, economic stability and growth, and the strategic military balance in the Korean peninsula, as well as regional stability in Northeast Asia with a focus on the future role of security assistance in American-ROK relations.

#### Research Design

Primary documents used to research legislative policies and to ascertain the sense of Congress were the published hearings, reports, and bills of the Senate Foreign Relations Committee and the House of Representatives International Relations Committee. Key documents included: the October 1978 Fraser Report, Investigation of Korean-American Relations; the International Security Assistance Acts of 1975-1978; a report prepared by Senators H. H. Humphrey and J. Glenn, entitled U.S. Troop Withdrawal From the Republic of Korea; a report to the U.S. Senate entitled United States Foreign

Policy Objectives and Overseas Military Installations, prepared by the Foreign Affairs and National Defense Division, Congressional Research Service, Library of Congress; and the Congressional Reports of the Korean Influence Investigation/ Inquiry. Also used were interviews with staff personnel of the Department of State, Bureau of East Asia and Pacific Affairs, and the Department of the Air Force including: the Director for Operations of the International Programs--Asia Office; and the Office of East Asia, Pacific and Inter-American Affairs--East Asia and Pacific Region--Northeast Asia, Assistant for Korea.

Supplemental sources included the Far Eastern Economic Review which provides an accurate source of current views and events of Korean relations and developments, the Congressional Quarterly Almanac which provides an annual summary of major legislation, the Congressional Record which gives a detailed account of considerations and contentions of debates on both floors of Congress regarding issues that have affected Security Assistance Policy and Legislation, and the U.S. Code Congressional and Administrative News which provides a compendium of Congressional and Administrative policies and enactments. Additionally, the research drew from studies in published and unpublished reports from both military and civilian educational institutions, copyrighted publications and books by authorities in the areas of Political Science, Political Economy, U.S. Foreign Policy, and Asian Affairs.

The research effort concentrated on identifying and



isolating, from the aforementioned sources, the variables that have had a correlation to, and have therefore influenced, the formulation and/or execution of American security assistance to the Republic of Korea. Further effort was concentrated on identifying the primary taxonomic nature (political, economic, or military) of these variables. The desired outcome of which will be a more concise conceptualization of the types of political, economic, and military considerations that have affected U.S. Security Assistance to the ROK from 1975-1979; and that these considerations and their relationships may be used to develop and exercise American security assistance to the Republic of Korea in the 1980s.

#### Limitations and Assumptions

Research regarding the formulation of United States security assistance was limited to information available to the general public. Therefore, basic to the research is the assumption that influencing issues and the intent of security assistance can be ascertained from official records of the legislative review process, bills, laws, enactments, and other official and unofficial statements of policy.

#### Research Questions

1. What political, economic and military issues have influenced the execution of American security assistance to the Republic of Korea from 1975 to 1979?
2. What contribution has security assistance made to:

- a. political stability in the Republic of Korea?
  - b. economic stability and growth in the Republic of Korea?
  - c. strategic military balance in the Korean peninsula?
  - d. regional stability in Northeast Asia?
3. What will be the future role of security assistance in American-ROK relations?

#### Plan of Presentation

Security assistance to the Republic of Korea is a multifaceted issue with influences that pre-date the 1975 to 1979 time frame selected for this research. Thus, in order to preclude the interpretation of issues and events out of their historical context, the earlier chapters focus on historic and general events that have influenced U.S.-Korean relations and security assistance. The later chapters focus on specific issues and present detailed discussion of their influences in the 1975 to 1979 time frame on U.S. security assistance to the ROK. The issues and events are organized as follows:

Chapter 2 - presents the pre-1975 evolution of U.S. involvement in Korea and the U.S. foreign policy developed by Presidents Nixon and Ford for the Pacific arena and South Korea.

Chapter 3 - develops issues and events from 1975 to 1979 that have shaped American-Korean relations and influenced

American security assistance to Korea.

Chapter 4 - identifies the political issues that have influenced U.S. security assistance to the ROK and the significance and extent of those influences.

Chapter 5 - identifies the economic impact of U.S. security assistance to Korea with emphasis on the changed nature of U.S. security assistance since 1975, including some specific programs that enhance Korea's security.

Chapter 6 - identifies the military issues that have influenced U.S. security assistance to the ROK with emphasis on regional and peninsular stability.

Chapter 7 - addresses the research questions and provides the authors' conclusions drawn from the information in the preceding chapters.

## Chapter 2

### BACKGROUND

#### U.S. Foreign Policy

The fundamental goals of United States security policy with respect to Asia in general, and the Republic of Korea in particular, are expressed in what is generally termed the U.S. Pacific Doctrine.<sup>6</sup> On July 25, 1969 on the island of Guam, President Richard Nixon declared a new American policy in the Pacific which became known as the Nixon Doctrine. His doctrine was guided by three principles: partnership, strength, and a willingness to negotiate (88:167). With respect to our role in Asia, Mr. Nixon interpreted these principles to mean

We should assist, but we should not dictate . . . we . . . will keep the treaty commitments that we have . . . but . . . we must avoid that kind of policy that will make countries in Asia so dependent upon us that we are dragged into conflicts such as the one we have in Vietnam [51:296].

This policy was responsible for the 1971 withdrawal of American ground forces from the ROK (15:69) under the premise that South Korea must prepare to assume a greater share of its own

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<sup>6</sup>The term U.S. Pacific Doctrine refers to the American foreign policy in the Pacific region. Nixon's U.S. Pacific Doctrine is more popularly referred to as the "Nixon Doctrine," while President Ford's U.S. Pacific Doctrine is known as the "New Pacific Doctrine."



defense burden.

The Nixon Doctrine was the principle basis of U.S. security policy in Asia until the announcement of "The New Pacific Doctrine" by President Gerald R. Ford in Hawaii on December 7, 1975. The new doctrine embodied the three principles of the Nixon Doctrine. Additionally, it realized and placed increased emphasis on the criticality of Asia to American political, economic, and military strategy (51:398-401). Mr. Ford conceded America's preoccupation with Western Europe, and that emphasis of our Asian commitments was required in order to maintain world stability (51:399). In view of these observations, President Ford announced his "New Pacific Doctrine" which specified the following six points (51:399-401):

1. American strength is basic to any stable balance of power in the Pacific;
2. Partnership with Japan is a pillar of U.S. strategy;
3. Normalization of relations with the Peoples' Republic of China is desirable;
4. The U.S. has a continuing stake in the stability and security of Southeast Asia;
5. Peace in Asia depends on resolution of outstanding political conflicts; and
6. Peace in Asia requires a structure of economic cooperation reflecting the aspirations of all the peoples in the region.

The Ford policy had implications for South Korea with respect to American interests. It affirmed the importance of

Japan to American military and economic strategy, dictated a continued U.S. interest in the maintenance of peace and stability in the region, and it specifically reaffirmed the American position that any settlement of the Korean situation without the active participation of the Republic of Korea was out of the question (51:400). The doctrine seemed to assure that the United States would remain militarily, economically, and politically committed in its support of the Republic of Korea.

#### U.S. Involvement in Korea

U.S. involvement in Korean affairs is the product of a complex set of political-military developments. The United States was the first Western nation to recognize Korea's independence when the American-Korean Treaty in 1882 was negotiated through the good offices of China. "Li [Hung-chang] negotiated for Korea but failed to get into the treaty a clause describing Korea as 'a dependent state of the Chinese empire' [25:614]."

Recall that Japan occupied the Korean peninsula from 1910 until 1945. Japan gained undisputed control of Korea by defeating the Chinese in the Sino-Japanese War (1894-1895) and by defeating the Russians in the Russo-Japanese War that was concluded by the Treaty of Portsmouth in 1905 which recognized Japan's "paramount interest" in Korea and ended Korea's contact with other powers (25:553-557,618).

Before the Treaty of Portsmouth had been signed in September, a secret agreement between the United States

and Japan had been concluded. This Taft-Katsura Agreement of July 1905 provided that the United States would approve of Japanese suzerainty over Korea in return for a Japanese renouncement of "any aggressive designs whatsoever on the Philippines." By 1910 the Japanese felt sufficiently secure in their strength and position in the Far East to annex Korea outright. Thus, from 1910 to the conclusion of the Pacific War in August 1945, Korea was an integral part of the Japanese colonial empire [58:1].

During the years of war with Japan, the American attitude of self-determination for Korea began to crystalize. This idea was expressed at the "big three" meeting in Cairo on December 1, 1943, where Roosevelt, Churchill and Chiang Kai-shek indorsed the position that "in due course Korea shall become free and independent." The phrase "in due course" indicates the uncertainty of the Allies regarding how Korean self-government might be achieved (25:883).

The war with Japan ended in 1945 and the U.S. proposed that the Soviets and Americans accept the surrender of Japanese troops in the Korean peninsula north and south of the 38th parallel, marking the beginning of U.S. involvement that continues to the present. United States military forces were not able to occupy the peninsula to prevent the Russians from entering Korea from the northeast on August 12, 1945. U.S. military forces did not enter Korea until September 8th (32:12-14). Thus, the proposed dividing line was not an administrative convenience, but rather strong political objectives were involved.

As a second best, [the U.S.] proposed the division of the task [acceptance of Japanese troop surrender] on a territorial basis, hoping in that way to prevent Soviet forces from occupying the whole of Korea. . . . It

appears to have been motivated by certain specific political objectives: (1) to prevent the occupation of all of Korea by Soviet forces, which was considered unavoidable in the absence of such an arrangement; (2) to place the United States in as strong a position as possible to implement the promise of Korean independence; (3) to provide for the security of Japan and of United States forces during the period of the military occupation of Japan; and (4) to limit the area of Communist control [32:13-14].

During the initial period of occupation, U.S. military authorities were acting without clear guidance on policy (32:53). However, their overall objectives were:

(1) the establishment of an independent and sovereign Korea free from all foreign domination and eligible for membership in the United Nations; (2) insurance that the national government so established should be a democratic government fully representative of the freely expressed will of the Korean people; and (3) assistance to the Koreans in establishing a sound economy and adequate educational system necessary to an independent democratic state [32:53].

Aside from the unclear guidance on policy, the American side was faced with additional problems. U.S. troop presence in Korea was unpopular because it contradicted the American tradition of rapid demobilization. Also, prior to the occupation, the Joint Chiefs of Staff had advised that "from the point of view of military security, the United States had little strategic interest in the maintenance of troops and bases in Korea [32:28]."

Cooperation never actually existed between the two military zones, and finally General Hodge, the United States Commander, "recommended that the unification of Korea be considered at a higher level [32:16]." The Council of Foreign



Ministers<sup>7</sup> meeting in December 1945 in Moscow provided for the creation of a U.S.-Soviet Joint Commission charged with "implementing the Cairo Declaration's objective of a free and independent Korea 'in due course' [32:16]." The U.S. and Soviet representatives on the Joint Commission encountered stalemate after stalemate. The

U.S. and [Soviets] began to favor and support Koreans within their respective zones who shared their outlook, and gradually two different social, political and economic systems took root . . . [41:170].

Throughout the negotiating period, lack of understanding on the American side of problems facing Korea heightened frustrations toward Soviet demands.

United States policy in Korea and the record of Military Government had come in for much criticism, not only from Koreans and Americans, but from other countries outside the Communist world [32:27].

Issues before the Joint Commission became insoluble and the meetings were adjourned on May 8, 1946. Finally, on September 17, 1947, the United States referred "The Problem of the Independence of Korea" to the General Assembly of the United Nations.

If bringing the question to the United Nations was viewed in Washington as a way of making possible the reduction of the American military commitments, it hardly made sense to think simultaneously in terms of increased pressure on the Soviet Union to accept an essentially American program [32:41].

Nevertheless, the resulting United Nations (U.N.) resolution

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<sup>7</sup>The Council of Foreign Ministers was the group of allied foreign ministers tasked with resolving issues arising from the Second World War (33:686).

called for elections to be held throughout the peninsula to constitute a representative government. From the beginning, this resolution was bound to be rejected by the Soviets because the

population of Korea, estimated in 1950 to be close to 30 million, was then roughly divided in the proportion of two to one between Korea south of the 38th parallel and northern Korea [32:8].

The Soviets refused to cooperate with the election plan, so United Nations representatives agreed to observe elections in the South Korea zone on May 10, 1948. The U.N. team reported that the elections had been relatively free and open, and the establishment of the Republic of Korea followed with Syngman Rhee as the elected President in July 1948 (4:170). Elections were held in the North on September 9, 1948 under Russian supervision, and the new regime was proclaimed the Democratic People's Republic. The United Nations recognized the Republic of Korea in the south as the legitimate government of the Korean people in December 1948.

In January 1950, Secretary of State Dean Acheson identified primary American interests in Asia to be centered on Japan and the island chain lying off the coast of Asia. Conspicuously, this area of primary interest did not include Korea and may have contributed to the events that followed: North Korean forces crossed the 38th parallel into South Korea in June 1950 (11:53-54). Suddenly the ideological conflict of the "cold war" assumed new dimensions. "President Truman saw the invasion [of South Korea] as a coordinated

shift by the Communist powers from subversion to war to advance their aims [4:141]." During the hostilities, the United States suffered 142,000 casualties. South Korean casualties were estimated at 300,000, North Korean at roughly 520,000 and Chinese at perhaps 900,000 (25:885). Truce talks began in July 1951 and finally resulted in an armistice on July 27, 1953. The President of South Korea, Syngman Rhee,<sup>8</sup> voiced fierce opposition to signing the armistice agreement because it would result in continued partition of the Korean nation.

A Mutual Defense Treaty between South Korea and the United States and promises of large-scale economic aid were deemed essential to overcome Seoul's objections to the armistice agreement. Thus, as part of the extension of the American policy of containment beyond Europe, obligations were undertaken which involved a far-reaching politico-military commitment. . . [4:172].

Following the armistice, U.S. troop levels were rapidly reduced from 200,000 in 1953 to below 60,000 in 1960. "The only long range goal of the United States aid during reconstruction [1953-1957] was to establish within Korea a strong military force . . . [35:54]." Robert R. Nathan Associates prepared an economic study in 1954 at the request of the United Nations Reconstruction Agency. The Nathan study recommended a five-year period for developing "economic

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<sup>8</sup>Three Korean names in this thesis use the Western convention of given name first because the American press had popularized them in that form: Syngman Rhee, Tongsun Park, Hanchu Kim. All other Korean names are introduced in the traditional form with the family name preceding the given name: for example, Park Chung Hee.

self-sufficiency" and called for "new capital investment projects which tended to duplicate existing North Korean facilities [35:47]." The United States did not support the plan because it was inconsistent with the policy goal of a unified Korea and it was eventually shelved and never implemented (35:47).

Total United States economic aid, including commitments to the United Nations Reconstruction Agency for the period of reconstruction, 1953-1957, exceeded \$1.5 billion. . . . Aid had accomplished reconstruction of war damaged facilities and provided a minimum industrial framework of electrical power generation, transportation and communications [35:53].

Despite the progress of economic recovery, President Rhee's government was subjected to increased criticism for authoritarian rule, corrupt practices of manipulating aid funds, and awarding contracts for political reasons.

One month after Rhee was elected to a fourth term, mass rioting broke out which the army refused to suppress. The United States exerted pressure on the government to respond to popular demands for reform. President Rhee responded by resigning in April 1960. A new constitution was enacted that made the Presidency an honorary office and place authority in the hands of a Prime Minister responsible to the National Assembly. In July 1960, a new administration was installed under the control of the Democratic Party led by John M. Chang (25:882-886).

Chang pledged widespread reform. However, his effectiveness was negated by feuding factions within his political party, and he, therefore, failed to eliminate



political malpractice, arrest growing economic instability, or prevent Communist infiltration from the north. Finally, on May 16, 1961, the Democratic Party government was brought to an end by a skillfully executed, bloodless military coup d'etat. "The military revolutionaries simply claimed that they were more capable of achieving the same social and economic goals than . . . any other leadership [94:29]."

A governing military junta established an economic planning agency to plan and coordinate all economic policies and programs. The following year, the junta introduced currency reform by replacing the Korean hwan with a new currency, the won, with an exchange rate of 130 won to the U.S. dollar, compared with the former rate of 1,300 hwan to the U.S. dollar.

A national referendum in 1962 adopted a new constitution and laws governing political parties and elections. The Democratic Republican Party, led by Park Chung Hee, assumed control of the government after relatively free and open elections were held in October and November of 1963 (94:30).

The country gradually developed a presidential system which provided a promising mixture of strength and stability combined with popular participation--and a fair measure of civil liberties, which benefited all but the very small minority on the far left [4:173].

As political stability began to shape events, the Park government demonstrated its commitment to economic development by embarking on the first of a succession of economic development plans that have aided South Korea in achieving the most rapid rate of growth in gross national product (GNP) of any nation in Asia (24:113). The Rhee

regime had been criticized for poor economic performance during the 1950's in contrast with rapid growth in the North during the same period (4:173). In contrast, the GNP growth rate during the First Five-Year Economic Development Plan (FFYP), 1962-1966, was an impressive 9.4 percent (54:200); and although the FFYP cannot be credited with much influence over actual events during the period, it did serve the important functions of laying out a number of policy directions and encouraging investment programs (54:197).

Following the FFYP, South Korea's Second Five-Year Plan (SFYP), 1967-1971, was much more sophisticated than previous planning efforts. It became the first installment of a long-range plan extending to 1981, and a succession of annual overall resource budgets used to adjust the plan (54:198). Economic momentum continued with an annual GNP growth rate for the SFYP period of 11.9 percent (54:200).

As South Korea began to adjust to the influence of economic prosperity, politico-military events evolved which altered American-Korean relations. First, "through . . . the 1950's and until 1969, South Korea played a dominant role in the U.S. strategy of containment [68:4]." However, the myth of monolithic Communism toward which this containment policy had been directed crumbled in the reality of the "escalation of the Sino-Soviet dispute from rhetoric to armed confrontation along the Sino-Soviet frontier [8:12]." Second, the gradual shift in American attitudes and policy toward Asia stemming from Vietnam set in motion a series of changes in the nature of the international environment

in East Asia [4:175].

In 1965 when the United States first committed combat troops to Vietnam, South Korea agreed to send 2,000 regular troops as "advisors" in January. Combat divisions of 15,000 men and 21,000 men were sent to South Vietnam in August 1965 and March 1966. This was an important commitment to the U.S. government which "needed to demonstrate that other non-Communist nations were interested enough in South Vietnam's fate to sacrifice lives [15:53]."

Only the Koreans made a commitment substantial enough to provide proof. From 1966 through 1973, South Korea maintained a force level of about 50,000 in Vietnam, a large commitment for a country of only 30 million [15:53].

Korea's involvement in South Vietnam allowed them to demonstrate their determination to join in the resistance against Communist aggression elsewhere in Asia and receive the benefits of additional payments from the United States which were a plus for the economy. At the outset, President Johnson committed the U.S. to deliver \$150 million in development loans.

[The] loan component of Johnson's commitment marked a turning point in Korean-American relations and a major shift in U.S. thinking. It was a sign of the successful economic momentum created in South Korea since 1962 [14:169].

When additional Korean troops were deployed to Vietnam in 1966, further commitments were made by the U.S. Development loans were extended to include an additional \$25 million in 1967 and 1968, and through 1970, \$44.8 million was provided to support two Korean "replacement" divisions

in South Korea (14:175).

Vietnam earnings made a significant contribution to Korean economic growth in the early years (1966-68) of participation. The Agency for International Development (AID) estimated that the foreign exchange earnings of Korea from 1966 through 1972 totaled \$925 million. The expanded business opportunities for Koreans led a former AID official to describe Vietnam as the "El Dorado" of Korea--a place to make a quick fortune (14:175).

While American attitudes and policy toward Asia were evolving, events in and around the Korean peninsula shocked Koreans into questioning the strength and resolve of the American commitment. The U.S. began negotiating with the ROK for an additional 11,000 Korean combat troops in the fall of 1967 along with a corresponding aid package. About the same time, North Korea began a dramatic increase in border provocations. Infiltrations caused 131 deaths in 1967. On January 21, 1968, a North Korean commando team "came within 800 meters of taking Park's life [15:55]," while attempting a raid on the Blue House, the Presidential Mansion in Seoul. The event seriously affected ROK confidence in their security and anti-infiltration capability. The ROK government wanted to respond with force, but the United States was opposed. The failure of the U.S. to respond to what, from a Korean perception, was a provocation of the most serious order was met by a visible change in attitude among Korean officials.

Two days later, on January 23, the intelligence ship



U.S.S. Pueblo was captured by North Korean forces.

In Washington and at the American Embassy in Seoul, the Pueblo incident quickly overshadowed the Blue House raid. This time the United States responded with urgency. Recapturing the ship was out of the question--aircraft had not been able to reach the ship's position in time, and when they did, the Pueblo had already been towed within North Korean territory. However, 350 American warplanes were flown into South Korea without prior approval by the Seoul Government; the carrier U.S.S. Enterprise was positioned off the North Korean coast; and President Johnson activated over 14,000 Air Force and Navy reservists as a military backdrop to diplomatic efforts [15:56].

The ROK Government viewed the taking of the Pueblo as a side issue. Their paramount concern was state security, and "100,000 people demonstrated in Seoul on January 31 [15:56]," demanding U.S. and United Nations assistance to prevent further North Korean raids. "This gap between American and Korean perceptions caused Korean leaders to begin rethinking the relationship with the United States [15:57]."

American perceptions were outlined by President Richard Nixon as the framework for a new foreign policy at Guam in 1969 that would "bring an end to an era of containment and open one of negotiation [68:4]." The new foreign policy became the Nixon Doctrine and was, in reality, a recognition of the "disintegration among the Western Allies and the concomitant diminution of America's ability to influence [68:5]."

President Nixon's "era of negotiation" immediately affected Korea in the form of a unilateral U.S. troop withdrawal of 20,000 men. The reaction to the Nixon Doctrine proclamation and perception by Seoul that South Korea might

soon have to "go it alone" were the stimuli which caused the Park government to initiate a five-year military force modernization program in mid-1970 (90:1065). The plan called for U.S. support in the form of \$1.5 billion in military aid, sales on credit and transfers of excess defense articles, including sizeable quantities of armor, artillery, combat aircraft and anti-aircraft weapons (26:76).

Although publicly labeled a "modernization" program, it was designed to fill gaps in specific areas rather than turn the South Korean Army into a truly modern force by Western standards [4:174-175].

South Korea also established the goal of self-sufficiency in basic weapons production to support its objectives of military force modernization. The United States agreed to transfer technology and permit licensing agreements for the manufacture of such items as M-16 rifles and 105mm and 155mm artillery pieces (95:1078). In addition, Vice President Spiro Agnew announced during a visit to Seoul in August 1970 that the U.S. would send 54 F-4 jet fighter-bombers to South Korea and supply the Korean Navy with special planes equipped to spot North Korean night raiders (77:65). Thus, extensive commitments on the part of the Nixon Administration gained reluctant ROK acceptance of the withdrawal of U.S. troops. However, Congress viewed the administration's support for the ROK military modernization effort as part of the annual security assistance legislation, and not as a five-year package. Political issues arose during the modernization period that resulted in limited appropriations for military assistance.

An additional problem, from Korea's perspective, was that Congress changed the nature of military assistance to all countries from direct grants to direct sales of military equipment, with credit arrangements to be provided through Foreign Military Credit Sales (FMS) as necessary. The Korean Government believed that the modernization plan had been predicated on grant assistance; now it was being asked to shoulder a large portion of the defense burden through purchases or credit arrangements.

The ROK had also assumed that modernization assistance would be in addition to the regular military aid of approximately \$130 million in yearly grants. This was not to be the case, and the annual amount for the program remained a matter of some contention between the two countries [15:69].

Partially as a result of the changing nature of military assistance, Congress did not fulfill the administration's modernization commitment until 1977, two years after the scheduled completion date. Year-by-year funding for the modernization program is shown in Table 1 (15:70).

Before the implications of the shift [in American foreign policy] had been analyzed and adjusted to, the Sino-American rapprochement [beginning with Doctor Kissinger's visit to Peking in July 1971] took place. This could be interpreted as giving top priority to a classic balance-of-power approach of seeking accommodations with adversaries, leaving once-close allies to fend for themselves. . . . Since neither the Nixon Doctrine nor the approach to China was preceded by adequate diplomatic discussions with our allies, their initial--and sometimes lasting--reactions were to interpret these moves in the worst possible light. . . [4:175].

The Sino-American talks gave rise to concern by Koreans on both sides of the Demilitarized Zone (DMZ). The South Korean Red Cross proposed to the North Korean Red Cross that representatives of the two organizations meet to discuss ways of improving contacts between families separated by the division of Korea. The first bilateral meeting of the representatives of the two countries since the 1950-1953 Korean

TABLE 1  
Security Assistance for Fiscal Years 1971-77 to the  
Republic of Korea  
(In millions of dollars)

| Fiscal year                     | Military assistance<br>program--grant<br>assistance <sup>1</sup> |        | Foreign military<br>sales--sales<br>on credit terms |        | Excess defense<br>articles--grants<br>of equipment |        |
|---------------------------------|--|--------|---|--------|--|--------|
|                                 | Requested  | Actual | Requested   | Actual | Requested  | Actual |
| 1971                            | 290.8  | 291.2  | 10.0  | 15.0   | .....  | 137.7  |
| 1972                            | 239.4  | 155.5  | 15.0  | 17.0   | 40.0   | 277.8  |
| 1973                            | 215.7  | 149.6  | 25.0  | 24.2   | 33.6   | 29.7   |
| 1974                            | 263.7  | 94.1   | 25.0  | 56.7   | 43.0   | 17.7   |
| 1975                            | 161.5  | 82.6   | 52.0  | 59.0   | 20.8   | 3.1    |
| 1976                            | 76.7   | 62.4   | 126.0   | 126.0  | 25.0   | .2     |
| Transition Quarter <sup>2</sup> | 1.9  | 1.5    | 1.5   | 134.1  | .....  | .....  |
| 1977                            | 11.0   | 2.6    | 275.0   | 152.4  | .....  | .....  |

<sup>1</sup>As requested by the administration, actual amounts provided to the ROK.

<sup>2</sup>In fiscal year 1976, the end of the fiscal year was changed from June 30 to September 30. The second set of figures refers to the transition quarter running from July 1, 1977 to September 30, 1977.

Source: Report of the Subcommittee on International Organizations:  
Investigation of Korean-American Relations, October 31, 1978,  
p. 70.



War was held in Panmunjom on August 20, 1971.

With alliances shaky and diplomatic events changing daily, a world economic crisis pressured the U.S. to take defensive protectionist measures. In August 1971, President Nixon announced a New Economic Policy which, among other things, suspended full convertibility of dollars into gold (effectively dismantling the post-World War II monetary system) and imposed a 10 percent surcharge on all imports into the United States. Nixon's New Economic Policy was not directed at Korea. However, it had a significant impact, since Korea looked to the U.S. for 50 percent of its export market (14:181-200). "Press reports state[d] that the U.S. surcharge resulted in a drop of about \$30 million in South Korea's exports during August [1971] [77:67]." This was followed in September by U.S. demands that South Korea restrict its exports of noncotton textile goods or face mandatory quotas. In the wake of U.S. protectionism, the ROK Government imposed import restrictions of additional commodities in an effort to improve the balance of payments.

On December 6, 1971, President Park declared "a state of national emergency" because of rapid changes in international situations, including the recent admission of China to the U.N., its effect upon the Korean peninsula and the various fanatic moves by North Korea Communists [77:69].

The emergency declaration was legitimized by the National Assembly by passage of the Special Measures Law for National Security and Defense which granted the President extraordinary powers to control prices, wages and rents for a specified

period, mobilize human and material resources for national defense purposes, evacuate specified areas, ban outdoor assemblies and demonstrations, prohibit the publication of articles "affecting national security, leading to a split of national opinion, or promoting the confusion of social order," and restrict strikes (77).

Slow economic growth, a massive trade deficit, and inflation continued to plague the Korean economy, and President Park elected to issue an emergency decree in August 1972 imposing drastic economic recovery measures: a three-year moratorium on private loans, new inflation controls, and a devaluation of the won to 400 won to the U.S. dollar.

As the situation worsened, President Park declared martial law on October 17, 1972. U.S. Ambassador to South Korea Philip Habib expressed strong U.S. disapproval of the imposition of martial law. However,

Japan's recognition of China [during Premier Tanaka's visit to Peking on September 25] . . . may well have been the final straw which convinced President Park that his best defense against external enemies lay in a fortress state--hence the move toward open authoritarianism [77:73].

The Korean Government promulgated three special laws providing for an interim government until constitutional government could be restored following a constitutional referendum. The new Yushin Constitution was voted in on November 22. Under the new constitution, the President would be more than a chief executive; he was the "arbiter among the administrative, legislative and judicial branches

of government [77:75]." The President also possessed a constitutional basis for dissolving the assembly, overruling the courts and taking necessary emergency measures in the name of national security.

The Yushin Constitution severely restricted the civil rights of Korean citizens. "In 1974, Congress legislated a specific limitation of funds for Korea because of Park Chung Hee's worsening record on human rights [15:70]."

There had been many anti-government demonstrations during the 14 year rule of President Park. But in 1974, the situation seemed to be somewhat different from previous years. This time, the protest movement was joined not only by high school and college students, reporters, writers and opposition politicians, but also by a large number of Christians--both Protestant and Catholics--constituting approximately 12% of the population. Furthermore, the dissenting activities and the repressive countermeasures of the government received wide publicity abroad, especially in the U.S. [39:35].

President Gerald Ford visited Seoul in November 1974 and pledged continued U.S. assistance and, thereby, demonstrated that "overriding foreign policy interests would compel the U.S. to reckon with the existing Korean government regardless of the latter's internal policies [39:38]."

Although South Korea appeared to be turning away from a Western democratic model, under the Yushin Constitution economic progress continued through the Third Five-Year Economic Development Plan (TFYP, 1972-1976). Despite economic recession in Japan and the U.S. in the wake of oil shortages resulting from the Arab-Israeli war, GNP continued "growing 10 percent a year, with a 15 percent surge in 1976 [74:171]."

Planning became more decentralized with greater emphasis

placed on efficiency and equity of resource allocation (54:198). The goals of the TFYP included rapid development of the rural economy, increased agricultural productivity leading to self-sufficiency, an increased share of exports in world trade from 0.3 percent to 0.8 percent, and the development of heavy and chemical industrial capability. All of the planning goals were met or exceeded (91:191-192).



## Chapter 3

### EVOLUTION OF EVENTS SINCE 1975

#### Introduction

It was noted in Chapter 1 that uncertainties regarding U.S. dependability have remained for many non-communist governments around the world in the aftermath of America's Indochina defeats. Indeed, since President Carter elected not to renew the U.S.-Taiwan Mutual Defense Treaty at the end of 1978, and the U.S. was, at least to expectant allies, unwilling to provide assistance to the Shah of Iran, political commitments became weak reeds to many U.S. allies unless they were backed up by visible support such as security assistance aid, economic aid, or in the most sensitive cases--for example, NATO and Korea--continued military presence.

Trends in U.S.-Korean relations were volatile in many respects from 1975 to 1979. This chapter will present the evolution of events since 1975 and provide a perspective of significant events and occurrences in U.S. security assistance to the ROK.

#### Human Rights

The single, most important issue which appeared to impede harmony in U.S.-ROK relations was human rights. In an attempt to quell American opposition to his human rights

policies in the Yushin Constitution, President Park held his national referendum vote in February 1975. The support provided by the Korean people in that vote was perceived by President Park as a strong mandate from the nation, and he called for a "pan-national political system based on national harmony [64:73]." In an act of reconciliation, the Seoul government released 148 political prisoners. However, the former prisoners revealed details of cruel tortures employed by Korean CIA (KCIA) agents which shattered any prospects of reconciliation between political factions.

In 1976, further dissention of political activist groups in the ROK resulted in the most publicized human rights incident: the so-called "Myong-dong incident," or the

"Declaration of Democratic National Salvation" made by prominent religious and political leaders . . . on the anniversary of the March First (1919) Independence Movement against the Japanese. The declaration . . . called for President Park to restore democracy, release some 120 political prisoners, and to resign from office. Shortly thereafter some 18 leading dissidents were arrested. . . . There were numerous and serious discussions on these problems reflected in the Congressional Record. For example: Senator Kennedy speaking on "The Repressive Park Government" on March 24, 1976, S4143; Senator McGovern speaking on "Human Rights and South Korea" on May 13, 1976, S7179; and Congressman Fraser speaking on "South Korean Abuses Tolerated" on May 18, 1976, E2654 [64:73].

The extensive concern and discussion of human rights by Congress was not without its effect. In 1977, the new administration of Jimmy Carter dealt with several facets of American-Korean relations<sup>9</sup> including ". . . stressing the

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<sup>9</sup>Two other matters of grave administrative concern were the U.S. troop withdrawal schedule prepared by Carter and the alleged Korean influence-buying activities (37:46).

importance of the human rights question in its foreign policy [37:46]." In response, as a conciliatory gesture, the Seoul government released 31 of some 200 political detainees. Additionally, to soothe opposition political feelings, President Park met with Lee Chul Sung, head of the New Democratic Party--the first meeting with an opposition leader in two years. However, political dissent continued in the form of student protests, and finally, ". . . major universities in Seoul were closed for several weeks and many students were expelled or suspended from school for extended periods [37:54]."

In 1978, as President Park perceived an easing of tensions with respect to the future American commitment to U.S. security pledges and the congressional thaw in the wake of the Fraser report,<sup>10</sup> the Seoul government took positive steps to reduce U.S. criticism of Korea's human rights record and improve the climate for Carter's visit in 1979.

President Park announced on December 21 a general amnesty under which his old political rival, Kim Dae Jung, and 106 other political prisoners . . . were freed on December 27 [38:48].

However, during his visit to Korea in July of 1979, President Carter demonstrated his persistence on the human rights issue. President Carter took a ". . . tough political

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<sup>10</sup>The Fraser report or Investigation of Korean-American Relations was published by the House Subcommittee on International Organizations October 31, 1978. It contains findings, conclusions, and recommendations of the subcommittee with respect to the nature of Korean-American relations. The subcommittee was chaired by Representative Donald M. Fraser.

stand on the limitation of human rights . . . [70:21]" and ". . . turned over two privately compiled lists of more than 100 names of political prisoners . . . and called for an investigation and their release [81:1]." President Carter's only public speech was a nationally-televised address in which he called for Korea to match its "dramatic economic progress" with a realization of basic human aspirations in political and human rights.

The final communique was milder in tone, but it also made clear that Carter and Park had agreed to differ over the degree of political and social freedom which was appropriate to a country facing a constant security threat from the North [70:21].

Although the human rights issues received much attention and publicity during the 1975-1979 time frame, it was overshadowed by the prominence of the Korean bribery scandal and attendant security issues. In the period 1970-1976, Congress came under suspicion as the object of Korean attempts to influence security assistance and economic aid legislation through intensive lobbying, cash campaign contributions, cash pay-offs, and trips to South Korea (19:21). By 1976, pressure had begun to build to investigate the Korean lobbying scandal, popularly known as "Koreagate" or the "Tongsun Park affair."

Koreagate was the focus of three investigations. One was conducted by the U.S. Justice Department, another by the House Committee on Standards and Official Conduct, and a third by the Senate Ethics Committee. The Koreagate investigations centered around the activities of Tongsun Park.



However, U.S.-Korean relations were most severely strained by the lack of cooperation of the Korean government to make available for testimony Kim Dong Jo, the South Korean Ambassador to the U.S. at the time.

The atmosphere during the investigations was further strained by a degree of "finger pointing" within the Washington political structure and the South Korean allegation of U.S. electronic surveillance ("bugging") of the Blue House. The New York Times and the Washington Post reported that President Park and senior South Korean officers in Seoul conceived, organized and directed KCIA activities seeking to influence American politics. As South Korea was coming under severe criticism in the U.S., it was discovered that U.S. Embassy officials were, or had been, monitoring conversations in the Korean presidential mansion. South Korea's reaction was to demand an immediate explanation. However, CIA Director Stansfield Turner officially denied in August that such monitoring had ever been conducted by the United States. The following year "former U.S. Ambassador William Porter confirmed that the U.S. had had a listening device in President Park Chung Hee's office [67:332]." This admission of U.S. impropriety, however, did little to deter the dogged determination of Congressional investigators in subsequent years.

By 1978, "[t]he influence-buying affair in the U.S. [had] reached an emotional peak in the summer . . . [67:221]." U.S. and Korean officials were unable to agree on the question

of Tongsun Park's return from Korea to testify before the investigating bodies. As a result,

Immediately afterwards, the House Committee on International Relations refused even to consider President Carter's request to authorize the transfer of \$800 million worth of weapons to South Korea until South Korea was less adamant about Park Tong Sun's return [37:49].

The mood of Congress was extremely aggravated when former South Korean Ambassador to Washington, Kim Dong Jo, refused to testify before the congressional investigating committee. In retaliation, angry congressmen voted to cut off \$56 million in PL-480 food aid. But despite congressional dissatisfaction regarding Korea's cooperation in the investigation, hearings were brought to an end in August 1978. On October 29, 1978, the House Subcommittee on International Organizations issued its final report that "alleged that the South Korean government had been involved in lobbying activities in the U.S. . . [38:45]."

#### Re-unification

While the Koreagate issue served to muddy American-Korean relations, elsewhere in the political arena attempts were made to ease tensions between North and South Korea on the re-unification issue. Although the issue was not on the 1976 U.N. General Assembly agenda,<sup>11</sup> Secretary of State Henry

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<sup>11</sup>Kim Il Sung apparently wished to avoid the possibility of international criticism arising from the DMZ incident and as a result, 1976 marked the first year since 1948 that the U.N. General Assembly meeting did not include

Kissinger addressed the U.N. General Assembly on September 30 and called for a "phased approach to renewed South-North dialogue which had broken down in 1973. Dr. Kissinger's plan called for preliminary talks between South and North Korea with the United States and the Peoples' Republic of China participating as observers or in an advisory role.

On October 9 at a meeting of the Joint Armistice Commission, North Korea countered the Kissinger proposal by suggesting a bilateral peace treaty between the U.S. and North Korea. American representatives responded that political subjects were inappropriate for the commission (64:79). U.S. State Department officials later rejected the North Korean proposal saying that no meaningful discussions could take place without the full participation of the South Korean Government.

Again in 1977, the "Korea question" was not placed on the U.N. General Assembly agenda. President Park expressed his support for a "German formula"<sup>12</sup> for resolving the "Korea

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rhetorical debate on the "Korean problem."

"... 34 supporters of the North Korean regime withdrew their resolution calling for dissolution of the U.N. Command in South Korea and the withdrawal of U.S. troops there. Japan, the U.S. and 19 other supporters of South Korean positions in the United Nations then withdrew their agenda item calling for 'constructive dialogue and negotiation toward a peaceful settlement of the Korean problem and the reunification of Korea' [64:78]."

<sup>12</sup>The "German formula" refers to the manner in which the United States and Soviet Union agreed to the permanent division of Germany into East and West due to inability of the two powers to devise an equitable formula for unification.

question." Considering Korea's success under the first three five-year development plans, and continued expansion of international contacts, Park had apparently concluded that Seoul would win the ideological war and surpass the North in military strength over the long run.

In 1979, the North Korean stand on the re-unification issue appeared to soften. Earlier in the year, Kim Il Sung had given indications, albeit indirectly, that ". . . the North has given up any designs of reunification of the Korean peninsula under communism [84:24]." This, combined with President Park's January 19 call for ". . . a meeting between South and North Korean authorities at any time, at any place and at any level [72:16]," appeared to pave the way toward new diplomatic initiatives. However, North Korea will probably take a "go slow" attitude. The prospect of a slow North Korean response to re-unification efforts was demonstrated by North Korea following President Carter's two-day visit to South Korea on June 30 and July 1, 1979. Carter and Park released a joint communique offering to open three-party talks with North Korea on a "broad range of questions from person-to-person contacts all the way to eventual north-south unification [61:1]." On July 10, North Korea's Foreign Ministry issued a statement ". . . calling the Washington-Seoul proposal . . . 'utterly infeasible' [61:1]."

Several officials said the Pyongyang statement was an expected first response to the Washington-Seoul initiative. One body of official opinion holds that major North Korean movement toward three-way talks, if it comes, will be depicted as Pyongyang's initiative rather than as a response to the other side's proposal [61:1].



Despite U.S.-Korean accords regarding unification, Carter's human rights policies and the Koreagate investigations remained sources of tensions between the U.S. and the ROK.

#### Security Related Developments

Stability on the Korean peninsula was threatened by a number of security related developments between 1975 and 1979. The overriding issues for South Korea appeared to be: 1) to assert itself against the increasing threat from the North, and 2) how to recapture a military balance with North Korea in view of an impending U.S. troop withdrawal announced by President Carter in 1977.

Threat from the North. In 1975, Korea's ruling Democratic Republican Party (DRP), with the support of the opposition New Democratic Party, accepted two new national security laws proposed by Park: one placing former Communists under stricter surveillance, and the other preventing wealthy, privileged persons from leaving the country with their property. The National Assembly unanimously passed a five-point declaration stating a national resolve to crush any North Korean "provocation or invasion" and called on the U.S. to demonstrate through "deeds" its "firm determination not to commit the same failure on the Korean peninsula as it did on the Indo-chinese peninsula [77:87-88]."

On the twenty-fifth anniversary of the start of the Korean War (June 1950), the ROK 625,000-member armed forces

were placed on alert. This demonstration of national strength and unity was followed by National Assembly passage of three "wartime" security laws. First, a "public security" law that provided for close surveillance of persons previously convicted of violating anti-Communist or other national security laws. Second, a law was enacted establishing a student national defense corps and civil defense corps to include civilian men between the ages of 17 and 50, with an objective of providing them twenty days of education and training each year. Third, a defense tax was enacted to collect an additional \$400 million annually. The announcement states that business would bear the largest part of the tax burden. However, workers would be required to pay ten percent of their incomes in defense tax; farmers would pay a tax equal to one-tenth of one percent of their land value; tax on luxury items such as jewelry would increase twenty percent and tax on private cars by thirty percent. A two and one-half percent tax on imports was imposed, including raw materials for export industries.

The increased revenue from the tax measures instituted by President Park were to be used to purchase more weapons systems to shore-up South Korean air, naval, and ground defenses.

In October 1975, DOD informed Congress of anticipated sales to South Korea of 60 Northrop F-5E jet fighter planes and ground support equipment worth about \$205 million, Harpoon antiship missiles and related equipment worth \$80.4 million, and 18 McDonnell-Douglas F-4E fighter aircraft for

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\$178 million. Additionally, the South Korean Government purchased Lockheed Aircraft Corporation's complete facilities for manufacturing solid-fuel rocket motors (77:92-94).

In the United States, security considerations continued to take first priority in U.S.-Korea relations in 1976. During the Ninth Annual U.S.-South Korea Security Consultative Meeting on May 26-27, a joint communique was released by U.S. Defense Secretary Donald Rumsfeld and South Korean Defense Minister Suh Jyong Hyun that North Korea

. . . has continued its military buildup through the introduction of sophisticated modern equipment and the development of its domestic defense industry with a view to improving its offensive capabilities<sup>2</sup>[77:100].

The communique stated that the U.S. had no plans to reduce the present level of American forces in the Republic of Korea, and the administration would support efforts to complete the remaining portion of the Korean force modernization program in 1977.

Tensions in the Korean peninsula exploded on August 18, 1976 when North Korean soldiers brutally murdered two American officers and wounded four American enlisted men and four South Koreans in the joint security zone at Panmunjom. Cameras in the joint security zone recorded the entire incident, and the film bore witness that the North Koreans had attacked without provocation.

American military response was immediate and massive. Three days later, on August 21, the poplar tree which had been the subject of disagreement in the security zone dispute



was cut down while 110 American and South Korean soldiers stood watch. During the tree cutting incident, helicopter gunships and F-4 Phantoms flew in the area of the demilitarized zone while three B-52 strategic bombers were on-station farther south. As part of the military response, twenty F-111 fighters were deployed from Mountain Home Air Force Base, Idaho, and a naval task force led by the carrier Midway was dispatched to Korean waters.

The North Koreans requested a meeting of the Military Armistice Commission on August 21 and delivered a verbal message from Kim Il Sung which "regretted that an incident had occurred in the Joint Security area." The North Koreans proposed that the truce site be partitioned to eliminate contact between the military units of North Korea and the American-led U.N. Command. Although the Communist response was not an apology, Kim Il Sung's message was mild compared to past incidents, and observers were surprised by the lack of time required to agree on the division of the truce site which technically supplements the 1953 truce agreement (64: 74-79). The incident in the DMZ in August 1976 served to increase the South Korean concern for the troop withdrawal policy outlined by the new American president, Jimmy Carter, in 1977. This issue dominated American-Korean relations until July 1979.

U.S. troop withdrawal. President Carter's campaign pledge to withdraw U.S. ground troops from Korea did not become U.S. policy until February 1, 1977 when Vice President Walter

Mondale told a news conference in Tokyo:

With respect to Korea, I emphasized our concern to maintain a stable situation on the Korean peninsula. I cited that we will phase down our ground forces only in close consultation and cooperation with the Governments of Japan and South Korea. We will maintain our air capability in Korea and will continue to assist in upgrading Korean self-defense capabilities [46:20].

Japanese and Korean officials later revealed to the Humphrey-Glenn investigating team<sup>13</sup> that "consultations" promised by the President on March 9<sup>14</sup> were ". . . in fact sessions in which they were informed of the policy, but that actual consultations never transpired [46:21]." A U.S. Embassy official told the Humphrey-Glenn group that ". . . they were never asked whether troop withdrawal was the right policy. Rather, they were asked how it should be implemented [46:20]."

President Carter announced his troop withdrawal plan at a Washington news conference on May 27, 1977 during which he stated that U.S. troops were not needed because of the increased economic strength and self-confidence in the ROK and reduced tensions in the region resulting from improved U.S.-Russia and U.S.-China relations.

In May, Major General John K. Singlaub, Chief of Staff of U.S. Forces in Korea, publicly criticized

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<sup>13</sup>The Humphrey-Glenn investigating team refers to Senators Hubert H. Humphrey and John Glenn and their investigation of U.S. Troop Withdrawal From the Republic of Korea, published 9 January 1978.

<sup>14</sup>Official visit to President Carter by South Korean Foreign Minister Pak Ton Chin.

Carter's withdrawal plan as an invitation to the North Koreans to invade the South. When President Carter subsequently ordered Singlaub home, the President's withdrawal plan became a public issue in the United States. Rising concern and opposition to the plan in Congress became evident in June when the Senate refused to pass a resolution expressing support of the withdrawal policy [37:46].

The Joint Chiefs of Staff agreed to support the withdrawal decision ". . . if the Mutual Defense Treaty was reaffirmed, if sufficient military assistance was provided, and if the U.S. Air Force and Navy remained in Korea after the withdrawal [46:20]."

In an effort to insure JCS support and reassure Senate critics, the July 26, 1977 Security Consultative Meeting (SCM) provided the opportunity for the Administration to modify its position by agreeing that the withdrawal of the final two combat brigades would be delayed until at least 1981, and twelve additional F-4 Phantoms would be committed to raise U.S. Air Force strength to 72 aircraft. A personal letter from President Carter was delivered to President Park which reaffirmed the U.S. commitment to the Mutual Defense Treaty and continued stability in the Korean peninsula.

Despite President Carter's pledges to President Park, the Far Eastern Economic Review revealed in an interview with Richard Holbrooke, U.S. Assistant Secretary of State for East Asia and Pacific Affairs, that President Carter had exchanged messages with North Korea's Kim Il Sung through third parties that explored the possibility of establishing some form of official relationship with North Korea either

directly or through Japan without the reciprocal recognition of the Republic of Korea by Russia or China (69:46). With this political backdrop, the phasing of the troop withdrawal and details of the proposed compensation package took on added significance to the South Koreans.

During the 1977 SCM, U.S. and ROK officials agreed to negotiate two points of a compensation package: 1) a \$2 billion military aid package, and 2) the development of a joint American-Korean command structure.<sup>15</sup> The joint command structure would serve a transitional function that anticipated the eventual dissolution of the United Nations Command and of reverting operational control of Korean forces to the ROK military.<sup>16</sup>

However, the discussed compensation measures did little to dispel congressional reservations about Carter's withdrawal plan. The report made to the Senate Foreign Relations Committee by the late Senator Hubert Humphrey and

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<sup>15</sup>"Korean negotiators told Secretary Brown [at the July 26 SCM] that military assistance should be based on equipment rather than money. They did not wish to repeat the confused commitments of the 1971-75 MOD plan [43:21]."

<sup>16</sup>A four-star U.S. Army general, currently John Vessey, leads the United Nations Command (UNC), is Commander of United States Forces Korea (USFK), and is also Commanding General of the 8th United States Army. Under this unique system established by the 1950 U.N. Security Council Resolution and the 1953 Armistice Agreement, the President of the United States, through his military chain of command, has direct operational control over the entire ROK military forces, except the Capital Guard.



Senator John Glenn (46) was highly critical of the troop withdrawal plan and called for legislation requiring President Carter to give Congress justification before the implementation of each phase of the plan. Carter's Presidential Determination 12 called for a three-phase withdrawal. The first phase was to be accomplished by the end of 1978 with the withdrawal of 6,000 men. However, in April the "House Armed Services Committee voted 24 to 12 to prevent a premature withdrawal of American ground forces from Korea [38:43]." The Administration reacted with a revised timetable that "called for the withdrawal of one combat battalion of 800 troops and 2,600 noncombat personnel in 1978 and postponed the scheduled withdrawal of another 2,600 personnel until 1979 [38:43]."

Congressional opponents of the Administration's troop withdrawal plan intensified their criticism in January after military intelligence estimates indicated that the North Korean Army totaled 600,000 instead of the generally accepted figure of 430,000, and tank strength was estimated at 2,600 instead of 1,950 (79:16). The Senate Armed Services Pacific Study Group stated:

The reassessment casts grave doubt upon the validity of earlier judgments about the nature and stability of the Korean military balance that formed the basis of the administration's decision in May 1977 . . . [93:3].

In February, Carter accepted the re-evaluation as his main reason for suspending the withdrawal of the 2d U.S. Army Division. However, congressional criticism and foreign

policy disappointments in other parts of the world combined to make the apparent policy reversal a political necessity.

Foreign policy analysts say that President Carter's recent decision to establish diplomatic relations with China and terminate the U.S defense treaty with Taiwan, the subsequent Vietnamese victory in Cambodia, and the continuing turmoil in Iran have created new uncertainties about American capabilities and intentions throughout the world [77:7].

In May, the Far Eastern Economic Review (FEER) clarified the origin of the North Korean buildup: the decision was made ". . . on a political level sometime around 1969 and actually got off the ground in a big way around 1972 [73:49]." The political decision appears to have been made during the same period that American foreign policy was being transformed by the Nixon Doctrine and events in Southeast Asia. Thus clarified, FEER went on to speculate that

. . . it is now considered unlikely that the U.S. will resume its troop withdrawals in the short term. In fact, it is likely that Carter will use his visit to Seoul [on June 30] to make such an announcement . . . [73:44].

However, the FEER prediction of a Presidential statement regarding troop withdrawals did not materialize. The final decisions to freeze the troop withdrawal came on July 20, 1979, when Presidential Assistant Zbigniew Brzezinski announced that ". . . additional large-scale withdrawals were being postponed at least until 1981 . . . [62:3]."

The White House statement said that new reduction in American combat elements "should await credible indications" that a satisfactory military balance has been restored and a reduction in tension is under way [62:3].

Security buildup. In addition to the 1978 revision and subsequent cancellation in 1979 of the troop withdrawal plan, other U.S. security assistance measures were taken to restore the military balance.

The Seoul government announced in mid-1975 a Five-Year Force Improvement Plan (FIP) to supersede the force modernization program initiated in 1970. Three specific measures were adopted as part of the plan:

(1) Increasing the purchase of conventional arms from abroad, mainly from the U.S.; (2) expanding an infrastructure of science and technology which, if necessary, can meet the task of manufacturing conventional weapons; and (3) developing an independent nuclear capability over the long run [95:1065].

President Park told the Washington Post in June 1975 that if the U.S. were to withdraw its "nuclear umbrella" from South Korea, that the ROK had the ability to build nuclear weapons and would do so, despite the fact that South Korea was a signator of the Non-Proliferation Treaty (77: 80). The decision to "go nuclear" created a significant, new element in U.S.-Korean relations.

It [has been] reported that to develop nuclear technology Seoul plans to spend some \$110 million in domestic and foreign currencies during the fourth five-year plan period (1977-1981) [95:1068].

One example of the U.S. response to the Korean decision to develop a nuclear capability was demonstrated in 1976.

Seoul turned to Canada and France for the purchase of a plutonium reprocessing plant. Seoul's deal with France was cancelled in January 1976, however, when the U.S. State Department threatened to withhold the Export-Import Bank financing for a \$292 million Westinghouse power reactor, Seoul realized that it had no option but to succumb to the U.S. pressure because the deal would

have jeopardized even the purchase of U.S. arms, since the U.S. Congress was expected to cancel such purchases as a retaliatory measure if Seoul did not comply. But in spite of these obstructions, it is expected that Seoul will continue to make headway towards a nuclear capability [95:1068].

In 1978, to strengthen ROK defenses along the DMZ and around Seoul, the defense ministry announced the "successful test-firing in late September of 'medium and long-range' ground-to-ground missiles and multiple-loaded rockets developed with Korea's own technology [38:43]." Adding to this increased capability, the ROKAF accepted delivery of 15 F-4E Phantom and 39 Northrop F-5E fighters (29:14).

Secretary of Defense Harold Brown met with President Park in November to discuss military cooperation. The visit coincided with the official activation of the U.S.-Korean Combined Forces Command and the permanent deployment to Korea of U.S. Air Force 497th Tactical Fighter Squadron, comprised of 12 F-4D Phantom jets. Secretary Brown announced "that the United States would increase its air and naval presence in East Asia and . . . F-15 and F-14 jets would be provided for the U.S. air and naval forces in the near future [38:43]."

In addition, following the revision of the first phase of the troop withdrawal plan, new commitments were made during the 11th U.S.-Korean Security Consultative Meeting held in late July 1978 in San Diego. Aviation Week & Space Technology disclosed that the U.S. government made a conditional offer--subject to Congressional approval--to furnish the General Dynamics F-16 fighter to the Korean Air Force (47:11).



Options of 60 and 90 aircraft were discussed. ROK officials requested Administration support for a co-production arrangement for the F-16, believing this would provide a giant step toward acquiring manufacturing capability of advanced fighter aircraft which is included in their Force Improvement Plan objectives of independent defense production capability. State Department officials had stated that co-production was categorically ruled out during the SCM discussions, however, co-assembly and sales were possible alternatives (6). Pentagon sources did not favor F-16 co-production, but had recommended the F-5, A-7, A-10, and even the F-4 as more desirable candidates (40:50). In any case, Korea appears to be eager to obtain such an agreement for strong political reasons. South Korea's economic base cannot reasonably support a domestic aircraft industry without foreign military sales--sales that would require U.S. approval, which is unlikely under current policy guidelines.

Further commitments to Korea's Force Improvement Plan were approved by Congress in August when President Carter submitted a \$1,167 million military assistance program for the ROK, including the \$800 million military equipment transfer program which the House Committee on International Relations refused to consider the previous year. The Armed Forces Journal disclosed in September 1978 that the Carter Administration had ordered a doubling of U.S. tank battalion strength. The realignment would insure that "the total number of battalions in 2d Infantry Division remains the same

[5:12]." However, the realignment accomplished three purposes:

- Beefs up the ability of 2d Infantry Division armor enemy armor;
- Doubles the overall number of 2d Division armor battalion tanks to be turned over to ROK Army if Carter-planned withdrawal eventually occurs; and
- Adds a potent, valuable bargaining chip for use in any North Asia negotiations which may develop among the great powers and their clients on the Korean peninsula [5:12].

Additional tanks are important to South Korea in defending against the massive firepower assault that North Korea would be expected to employ in any invasion attempt. South Korea assembles U.S.-made M-48 tanks. However, the North is now manufacturing Soviet-designed T-62 tanks that are far superior to the M-48, "but the administration has rejected the South Korean requests for M-60 tanks to replace the older M-48s, citing the need of U.S. forces for the M-60s [10:5]." <sup>17</sup>

#### Summary

Assistant Secretary for East Asian and Pacific Affairs Richard C. Holbrooke summed up the recent history of U.S.-Korean relations during an address before the Far-East-American Council and the U.S.-Korea Economic Council in New York on December 6, 1978 when he referred to the "triple crisis":

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<sup>17</sup> However, the "need of U.S. forces" did not hinder the U.S. ability to provide 64 M-60s to North Yemen in early 1979 (10:5).

In these past few years three serious issues simultaneously threatened substantial damage to the Korean-American relationship. These three issues which put extraordinary strain on our relationship with a close ally were: one, some misunderstanding over our troop withdrawal policy; second, a set of scandals often referred to as Koreagate; and third, human rights [42: 29].

With respect to the "triple crisis," U.S.-ROK relations had returned to virtual normalcy by 1979. The troop withdrawal had been halted at least until 1981; the Koreagate scandal was old news since official investigations were closed in August 1978; and President Carter had finally met with President Park (30 June - 1 July 1979). This last step did not diffuse the human rights issue; however, it was viewed by many as a concession on President Carter's part. President Park responded by relaxing controls over political opposition parties.

Despite friction between the U.S. and Korea regarding Koreagate and human rights, security considerations appeared to dominate U.S.-ROK cooperation since 1975. The ROK Force Improvement Plan, improvements in Korean defense production capability, the creation of the Combined Forces Command, and additions to both U.S. and ROK military capability on the peninsula served to illustrate the degree of cooperation between the two allies.

The next three chapters will examine in greater detail specific political, economic, and military issues which have influenced U.S. security assistance to South Korea since 1975. The final chapter will address the research

questions and provide the conclusions and recommendations  
of the authors.



## Chapter 4

### POLITICAL ISSUES

#### Introduction

Political issues that have impacted American security assistance to the ROK may be classified as either regional or bilateral (American-Korean) in nature. The most important U.S. policy objective in East Asia is the maintenance of the U.S.-Japan alliance (14:171). It is widely believed that the United States' ability to achieve Asian and global policy objectives will be greatly affected by Japan's future foreign policy orientation. A second regional policy issue, nuclear nonproliferation, applies principally to Japan, Taiwan, and South Korea as "most experts believe that South Korea could manufacture nuclear weapons in the 1980s if it set out to do so [14:173]." The third and final regional issue appears to be the general consensus of the American body politic that nonhostile relations with the PRC should continue to be developed (14:171). It was the South Korean perception of U.S. regional objectives, as well as international and bilateral events, that shaped American-Korean political relations in the 1970s.

The events developed in great part due to the uncertainty of American foreign policy perceived by Asian leaders in general, and the government of South Korea in particular.

Taken together, the troop withdrawal decision, the possible recognition of the PRC, the hiatus in the Philippines base negotiations, the potential recognition of Vietnam and human rights issues, caused many Asian leaders to see U.S. policy as uncoordinated [46:15].

The Fraser committee report clearly indicates that Korean misunderstanding of the terms and conditions of the U.S. troop withdrawal program initiated by President Nixon was the major contributing factor to the Korean Influence Buying Scandal of 1970 through 1975 (15:67). The series of events and their subsequent investigations, more commonly referred to as Koreagate, placed extreme stress on American-Korean relations and the conduct of security assistance to the ROK. While the primary goal of the influence buying campaign was to influence Congressional voting for economic and military aid to South Korea, after 1972 it took on the additional objective of convincing Americans that President Park's new authoritarian Yushin Constitution was essential to Korea's national security and economic development (75:14). The second objective of Korean influence buying seemed to indicate a sense of urgency on the part of President Park as to the role that the human rights issue might play in the American military aid program for the Republic of Korea. His concern proved to be valid when Congress cut the Administration's request of \$238 million in military assistance to \$145 million for FY 1975 because of human rights violations by the Park regime (15:45).

These aforementioned political issues influenced to

a great degree the conduct of American security assistance to the Republic of Korea in the time frame of 1975 to 1979. They will be discussed in the subsequent sections of this chapter.

### The Japan Alliance

Recall from Chapter 1 that in 1975 President Gerald Ford affirmed the importance of Japan to American military and economic strategy. In his "New Pacific Doctrine", announced on Guam in December 1975, President Ford referred to partnership with Japan as "a pillar of U.S. strategy [51:399]."

The U.S. strategy toward Japan has three aspects (49:6):

1. Providing a nuclear "umbrella," which protects Japan from nuclear threats by either the Soviet Union or the PRC and reduces the possibility that Japan will decide to acquire its own nuclear weapons.
2. Maintaining bases in Japan, which would improve the ability to defend South Korea and Japan and would serve to reassure the Japanese of a firm U.S. commitment in the region.
3. Providing a protective barrier from Soviet coercion by deploying naval, air, and ground forces in an around Japan.

Japan is understandably more comfortable in its international alignment when it is protected in the folds of American power,

rather than enveloped by Soviet power.

Japan views East Asian politics as tripolar, where Japan's fate is determined by the United States, the Soviet Union, and the PRC. The situation in Korea is the "melting pot" of these relationships and, therefore, Japan considers its own fate to be inseparably linked to that of Korea (46:13). The importance of Korea to Japan has often been a topic of United States-Japanese summit communiques. The 1975 Ford-Miki communique and Vice President Mondale's visit to Tokyo in February 1977 both stressed the importance of the peace and stability of the "Korean situation" to the stability of Japan (46:13).

In addition to the fact that Korea is the "vortex" of the tripolar relationships, there are several other reasons for Japan's concern. First, Korea holds domestic political importance as well as historical significance for Japan. The introductory chapter emphasized that the only pre-World War II invasion attempts of Japan were staged from Korea across the 100 mile wide Korean straits. In addition, Japan's populace consists of approximately 600,000 Japanese of Korean origin (46:13). It is expected that Japan would be besieged by millions of Korean refugees should the Republic of Korea fall, a situation very similar to the post-Vietnam "Boat People" exodus. Such a mass immigration is a burden the Japanese government would rather not assume for economic as well as political reasons. A second concern is the economic importance of the ROK to Japan (46:13). Japanese



investment in Korea has increased from \$160 million at the end of 1972 to an estimated \$690 million in 1978. Also noteworthy is the \$3.7 billion trade volume between South Korea and Japan in 1978 (7:36). From the Japanese point of view, these vested interests of Japan in the ROK demand a strong U.S. security posture in the ROK. Failure by the U.S. to provide this support would be construed as a reluctance to uphold the terms of the U.S.-Japan alliance. Under these circumstances, Japan could set off on the road to rearmament, a situation which could topple the fragile balance of power which presently exists in East Asia (46:13).

#### Development of Friendly Relations with the PRC

A major step was taken by the United States toward solidifying the delicate East Asian balance of power on January 1, 1979 when President Jimmy Carter chose to recognize the People's Republic of China. Though the event was greeted with mixed emotions worldwide, it is asserted that increasingly friendly relations with the PRC could provide the U.S. with several benefits that would contribute to East Asia's stability (14:171):

1. Relief of political pressures on the United States with respect to historic demands by the PRC for a unilateral troop withdrawal from South Korea.
2. Using the PRC as a military counterweight to the Soviet Union in Northeast Asia, otherwise known as the "Chinese Card."

3. Reinforcing the PRC's anti-Soviet policy. The absence of an antagonistic United States leaves little incentive for Peking to improve relations with Moscow.

From recent developments since the formal recognition of the PRC by the United States, it would seem that the U.S. is making progress towards just such an environment. Recall Premier Teng Hsiao p'ing's visit to the United States in February 1979. The event marked the first U.S. official visit by a top-level Chinese since 1949 (82:24). As part of "Teng's Great Leap Outward" to modernize China by the year 2000, the visit included a tour of Ford Motor Company factories and stops at four major American cities--Washington, Atlanta, Houston, and Seattle.

During the visit, topics of discussion with President Carter centered around economic relations between the two nations and the U.S. role in Northeast Asia (82:25). Specifically, Teng explored the possibility of a U.S.-Chinese agreement for cooperation in sharing scientific and technological expertise, and sought to explore the possibility of increasing Chinese exports to the United States<sup>18</sup> (82:25). President Carter also gauged Teng's feelings about the historical insistence of the PRC on a unilateral U.S. troop withdrawal from Korea, noting in particular that Peking had,

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<sup>18</sup>This discussion centered around the possibility of granting the PRC Most Favored Nation status. A move that could mean a reduction of tariffs for China by as much as 200 percent (82:24).

as of late, moderated its criticism of the American presence in East Asia (46:12). Since the Chinese exercise relatively greater influence in Pyongyang than do the Soviets, it is believed that this is also partially responsible for the less extreme reactions of Kim Il Sung to the American presence (46:12). This fact was evident in the January 1979 North Korean proposal for unification talks.

Previous unification proposals by the North have all contained the condition that U.S. military forces must be withdrawn before talks could proceed. Pyongyang's latest offer does not mention this as a prerequisite for resuming discussions [83:20].

The PRC provides more military assistance to North Korea than does the Soviet Union at present, and is quite naturally sensitive to Soviet influence in North Korea.<sup>19</sup> The Chinese have become anxious at the prospect of an American troop withdrawal because they view Soviet expansionist policy as a major threat.

As if in testimony of this observation, Teng made it a point during his U.S. visit to ask President Carter to take a tougher stand toward Soviet hegemonist intentions, and emphasized that he felt that Soviet containment would even take precedence over talks of the modernization of China (82:24). According to Senators Hubert H. Humphrey and John Glenn:

A U.S. force reduction, in and of itself, will not lead China to abandon its basic foreign policy strategy

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<sup>19</sup>In comparison, as recently as 1972, the Soviet Union had supplied as much as 80 percent of the military aid to North Korea (46:12).

of developing a U.S. connection. But it will raise some troublesome implications in Peking. It is widely believed that the Chinese tacitly support a U.S. military presence in South Korea [deleted] as an element of the strategic counterweight to the threat of Soviet "encirclement" of China. The extent to which Peking perceives its U.S. relationship to be valuable will depend in part on a continued U.S. ability to project air and naval power throughout the region [46:12].<sup>20</sup>

The implications of these statements are that the PRC will support American security assistance to South Korea in order to help the PRC moderate the activities of Kim Il Sung, thereby maintaining regional stability; or, in the event that the Soviet Union should again become the dominant influence in Pyongyang, to discourage the Soviet expansionist impulse. In essence, the People's Republic of China would like to have the "U.S. Card" to play as much as the United States desires to have the "Chinese Card" to play for furthering its political objectives in Northeast Asia.

#### Nuclear Nonproliferation

As a member of the "1980s Project," Michael Mandelbaum expresses quite well the logic behind the American nonproliferation policy.<sup>21</sup>

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<sup>20</sup>The term, [deleted], appearing within quotations of the Humphrey-Glenn report indicates censorship of classified information prior to publication of the report.

<sup>21</sup>The 1980s Project/Council on Foreign Relations was developed to determine the roles that nuclear weapons might--and should--play in the 1980s and beyond (31:ix). The 1980s Project Working Group includes: Cyrus R. Vance, Leslie H. Gelb, Roger Fisher, Rev. Theodore M. Hesberg, Joseph S. Nye, Jr., Harold Van B. Cleveland, Lawrence C. McQuade, William Diebold, Jr., Eugene B. Skoknikoff, and Miriam Camps.



Within the industrial circumference as a whole, the United States and the Soviet Union have concluded that nuclear weapons are too dangerous to permit unfettered political conflict. However, outside this perimeter, the reverse has been true. Political conflict has been too common, too acute and too difficult for the superpowers to control for there to be a significant role for nuclear weapons in peace and war [31:18].

Though this statement applies to the U.S. nonproliferation policy in general, it seems to have special relevance to the Republic of Korea. There are two primary dangers associated with a nuclear weapons capability in the ROK. First, there exists the real possibility that the relative stability achieved by the U.S. and the Soviet Union would be upset. A Korean nuclear capability would certainly lead to a North Korean scramble to acquire the same, which leads directly to the second danger--that it would introduce the possibility of a nuclear conflict in Asia which would otherwise be non-nuclear, thereby contributing directly to regional instability (31:224).

The desire to maintain this regional stability has been instrumental in U.S. security assistance policy toward the ROK. Therefore, as a general rule, the Carter Administration has opposed South Korean efforts to develop a nuclear weapons production capability either directly through third country buys, or indirectly as a by-product of the construction of nuclear power facilities from the U.S. (14:173). Recall that in 1976 the ROK attempted to purchase a plutonium reprocessing plant from Canada and France. To prevent the intended purchase, the U.S. threatened to withhold EXIM

Bank financing for a Westinghouse nuclear reactor. Korea cancelled the purchase because it anticipated Congressional cancellation of U.S. arms sales in retaliation. Experts estimate that Korea could manufacture nuclear weapons in the 1980s if it so desired (46:173). However, the U.S. is expected to continue to oppose such a development, using security assistance as a lever to discourage the ROK.

### Human Rights

The human rights issue is one that has strained American foreign relations with a number of South American, African, and Asian nations (43:9). In the case of the Republic of South Korea, the issue was used twice as a basis for reduced security assistance funding for FY 1975, and in 1978 for reduced economic aid. Again, as a finding of the Fraser investigation, human rights surfaced as a contributing influence to the Koreagate scandal (75:14). Because of the extreme effects on American-ROK relations, South Korean perceptions, and American security assistance policy toward South Korea, this issue warrants detailed consideration. Subsequent paragraphs will develop the origin of human rights as a political issue, its development by the U.S. Congress, and as a foreign policy issue under the Carter Administration. Finally, in order to provide a picture in perspective, the South Korean and then the North Korean human rights records will be discussed along with the effects of a U.S. troop withdrawal on the human rights situation.

Origin. The human rights issue had its origin and impetus with the adoption of the U.N. Charter. "The charter is a human rights document. It sets forth the international promotion of human rights as a basic purpose of the United Nations [27:175]."

In 1948, the Universal Declaration of Human Rights was adopted by the U.N. General Assembly. The declaration is considered to be an authoritative statement of the meaning of human rights obligations assumed by member states of the United Nations upon joining that organization (27:175).<sup>22</sup>

Following the adoption of the declaration, the United Nations drafted two detailed and enforceable treaties, the International Covenant on Economic and Social and Cultural Rights and the International Covenant on Civil and Political Rights. These covenants entered into force in 1976. Although President Carter has signed the treaties, they have not yet been ratified by Congress (27:175).

Even though the United States promoted the human rights issue on the international level, it served as no major concern other than as part of our cold war posture prior to the 1970s. However, the reported tragedies of the Vietnam conflict stirred Congressional and public sentiment.

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<sup>22</sup>The authors hasten to note that South Korea is not a member of the U.N. and, therefore, not obligated by the Universal Declaration of Human Rights. The point to be made is that the 1974 Congressional human rights legislation utilized the essential wording of that declaration. Violation of these human rights embodied by the Congress was declared as cause for termination of military assistance (27:179).

In addition, it was at that time that the United States came to the realization that it had been providing assistance to repressive regimes in Greece, Chile, the Philippines, and Korea (27:176). It was, therefore, the realization by Congress of the logical inconsistency of this practice that prompted it to take action in 1974.

Congress on human rights. In 1974, the Subcommittee on International Organizations issued a report after a study of human rights problems in over 40 countries. The report stated ". . . that the United States had to elevate concern for human rights as a factor in foreign policy [27:178]." In an attempt to emphasize only those rights which had widest acceptance, such as torture and summary execution, Congress elected to concentrate on two aspects. The first was to limit itself to the most fundamental rights, and the second was ". . . to concern [itself] with military assistance as being most directly related to a government's repression [27:179]." Based on these principles, the Congress adopted primarily the wording of the Universal Declaration of Human Rights:

. . . military assistance or sales should be terminated to governments which are guilty of a consistent pattern of gross violation of internationally recognized human rights [27:179].

It should be noted, however, that the Congress felt obliged to provide the Executive Branch with some latitude in applying this policy and, therefore, provided the exception which was defined as "extraordinary circumstances" (27:179)--



exceptions which have been employed by the Nixon, Ford, and Carter Administrations.

A second recommendation of the subcommittee's report was implemented. It advocated the creation of a coordinator for humanitarian affairs and human rights within the Department of State. The new office is required to submit more than a hundred "report cards" on the human rights conditions in various countries. This includes Brazil, Chile, and Korea (27:179-180). As a result, serious questions have been raised about the human rights situations in many countries.

Jimmy Carter was the first American presidential candidate to make a major campaign issue of international human rights, and continued to stress human rights after assuming the presidency in 1977.

Emphasis under Carter. President Carter has placed a long-time rhetorical emphasis on human rights. However, he has not succeeded in clarifying how his emphasis on human rights would be linked with the concern for national security. The ambiguity of this issue is reflected in a quote from President Carter's State of the Union Message delivered January 19, 1978.

The very heart of our identity as a nation is our firm commitment to human rights.

We stand for human rights because we believe that the purpose of government is to promote the well-being of its citizens.

This is true in our domestic as well as our foreign policy. . . . The world must know that in support of human rights, the United States will stand firm. . . . Our first and prime concern is and will remain the security of our country [3:303-304].

However incongruous this statement may appear, Donald M. Fraser seems to support President Carter's viewpoint in that Fraser feels ". . . American policy has to reflect basic American values . . . [27:182]." The United States has traditionally championed individual freedoms and sought to promote this philosophy on the international level. It is quite possible to conclude, given President Carter's strong religious background, that the administration may feel that U.S. foreign policy should contain and espouse a moral component, while at the same time recognizing that there are some overriding considerations such as regional balance, base rights, and insured access to critical resources "that cannot be totally ignored--anymore than human rights should be totally ignored [56:121]."

The South Korean record. With respect to South Korea, the human rights situation is perceived as important to the United States for two reasons (46:57). First, there is a deep humanitarian interest in America for promoting the freedom of peoples worldwide. Because of this "American ideal," a great deal of consternation has resulted when military aid was provided to repressive regimes. Second, and more importantly, continued political oppression could develop beyond the student demonstration phase and evolve into a major domestic confrontation in the ROK. The significance therein being that U.S. forces could be put in a precarious position by being drawn into the conflict in order to avoid

serious degradation of the ROK defensive posture behind the DMZ. However, domestic violence had never built to a level that encouraged a North Korean invasion. Nevertheless, this possibility remains a major concern for the U.S. (46:57).

Democratic government in its Western form ended in December 1971 when Park declared a state of emergency, followed by martial law in October 1972. From President Park's point of view, a number of situations had developed which justified this action (46:57-58): the 1969 raid on the Blue House; the 1971 withdrawal of the 7th Division; the Vietnam drawdown of American troops; North Korean build-up along the DMZ; the need to control economic development; and finally, President Park's personal desire to retain power.

In order to cement his authoritarian powers, Park then developed a new constitution, the Yushin instrument which was cited in the preceding chapter. Since then, there have been few political freedoms in South Korea; however, most social and economic freedoms have remained intact. Although most South Koreans are primarily concerned with economic and social well-being and, therefore, are, in practicality, only nominally denied political latitude, a small dissident group remains strongly affected. "These dissident groups consist primarily of opposition political parties, university people, church groups, and the press [46:58]."

It was the membership of these associations that



became the victims of torture, false arrest, summary execution, and other acts of intimidation. Examples of Park Chung Hee's exercise of power under the Yushin constitution were reported by Amnesty International (1975), Koreans in the U.S., and citizens of the ROK (27:182-183). Specific incidents include (15:40):

1. The forced closing of the Dong-A Ilbo, a newspaper which violated Park's emergency decrees by criticizing the administration's policies and practices (1975);

2. Life imprisonment of poet Kim Chi Ha for criticizing the Park regime in articles written for the Dong-A Ilbo (1975);

3. The kidnapping of opposition leader Kim Dae Jung in Japan (1972) and his subsequent imprisonment in 1976 for advocating the restoration of a peaceful democracy.

4. (Prior to 1975) the execution and hanging of a number of dissenters for violation of Park Chung Hee's emergency measures.

Since 1971, a pattern has developed in the Seoul government's reaction to attempts to undermine its power (46:58). When political tensions subsided, the government has been inclined to relax controls; conversely, it has harshened its reactions during periods of internal unrest. This is evidenced upon reflection on the incidents recited above. In March 1976, a number of Korean opposition members signed a "Declaration on Democracy and National Salvation;" this was preceded in 1975 by more student demonstrations.



Both events were rebellions against the latest of Park's emergency decrees and were responsible for the closing of the Dong-A Ilbo and the imprisonment of Kim Dae Jung (46:59). Although most of these emergency decrees remain intact, it has been reported by U.S. Embassy officials and dissident leaders that Park again began to relieve some of the pressures on dissident groups in 1977.<sup>23</sup> On July 17, 1977 fourteen government prisoners were released, followed by 33 more releases over the next year. Additionally, there have been no confirmed reports of torture since 1976; and reaction by the Park government to the 1977 "Charter for Democracy and National Salvation," which advocated abolition of the Yushin Constitution, was fairly mild in that prisoners taken were released after several weeks (46:59-60). These events signal a more favorable human rights trend in the ROK government; however, dissidents are not yet satisfied with these limited efforts and will continue to pressure Park Chung Hee (46:60).

The North Korean perspective. In contrast to the South Korean legal system, that of North Korea is extremely closed to Western observation. An Amnesty International representative expressed the opinion that the South Korean legal system comes in for much criticism by the U.S. because of its basic

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<sup>23</sup>It appears that the 1977 troop withdrawal decision strengthened Park's hand politically. It generated public concern and effectively united the people against a common threat.

democratic structure. Ironically, it is this primarily American value system that has allowed most trials to be conducted fairly openly with accompanying publicity and American criticism (46:20).

In comparison to South Korea, the authoritarian government of Kim Il Sung has a dismal human rights record. A 1977 study by the Congressional Research Service concluded that "individual liberties and democratic practices are non-existent in North Korea [46:60]." There is no toleration of political opposition. Political activity of the North Korean citizen is restricted to an either "for" or "against" vote for a candidate chosen by the Worker's Party. For those violating Kim Il Sung's dogma, there are tens of thousands of agents of the Ministry of Public Security to police their actions. The number of political prisoners taken by these agents is unknown. However, defectors report inhumane conditions at the two known political prison camps. Political crimes are reported to include "espionage, criticism of Kim Il Sung, and defacing statues of Kim Il Sung [46:60]."

With respect to economic and social freedoms, there are virtually none. The last reported religious function in North Korea was held in 1960, while the educational system is strictly state-controlled with emphasis on intense ideological training. Pyongyang's economic and social policies affect every citizen. Defectors report that the North Korean population is stratified into three levels which determine each individual's social and economic privileges (45:60-61).

The first contains about 11 percent of the population and consists of "loyal supporters, heroes and soldiers." They receive preferred treatment. The second group consists of 74 percent of the population, primarily those with any previous contact with South Korea or the church. They are considered socially unstable and in need of constant indoctrination. The third group, about 15 percent of the population, is considered "hostile." They include those who were once wealthy, former religious leaders, persons with contacts with Imperial Japan, and anyone who has criticized Kim Il Sung. This group is under constant surveillance [46:61].

Effects of U.S. troop withdrawal. There would most likely be differing long- and short-term effects of troop withdrawal on human rights in South Korea (46:61-62). In the short run, as in the 1977 reduction, it would probably have a unifying effect on the South Korean people due to a concern for decreased U.S. involvement. However, the long-run effects may be negative for two reasons. First, the Park government is bound to become more highly concerned for national security, therefore restrictions are likely to be tightened. Second, the absence of American troops will mean a loss of leverage by the United States to influence the situation. The only remaining leverage would be Public Law 480 assistance which is of questionable value in that it withholds only from those that we desire to help. Although security issues are paramount in the troop withdrawal decision, the effects on human rights issues cannot be ignored in making the final decision.

South Korean Influence Buying  
--The Investigations

The House of Representatives began its investigation



of Koreagate on February 9, 1977, and the Senate in April 1977. Both investigations will be treated as one due to the fact that there is no discernible difference in the strategies and methods for influence-buying by the Republic of Korea in both Houses of Congress. Where an incident, finding or allegation applies to only one of the bodies of Congress, the point will be emphasized within the text.

Findings. The Senate investigation determined that there were two central purposes of the ROK's campaign (75:14): first, to ensure that large amounts of military and economic aid to South Korea were continued; second, that after 1972, the effort also took on the objective of convincing Americans that Park's oppressive policies were necessary to ensure South Korea's security and economic development. The House of Representatives investigation committee determined (this was also substantiated by the Senate investigating committee) that the ROK government had developed at least three plans,

. . . the purpose of which was to influence Members of Congress through payments of money. Two were to utilize private individuals of Korean extraction--Tongsun Park Hanchu Kim. The third was to be carried out by ROK government officials stationed in Washington D.C. [19:4].

The investigation of Hanchu Kim's participation in the plan revealed that Kim received \$600,000 from Kim Sang Kuen in 1974 and 1975 (44:2).<sup>24</sup> Kim Sang Kuen was a Korean diplomat and agent of the Korean Central Intelligence Agency

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<sup>24</sup>This evidence was obtained from the testimony of Kim Sang Kuen on October 19 and 20, 1977 before the House Committee on Standards of Official Conduct.



(KCIA) from October 1970 to November 1976. He directed Hanchu Kim to use the money to influence Members of the House of Representatives. Hanchu Kim claimed to have recruited and made payments to five Congressmen whom he identified collectively under the code name "Advance Guard" (44:2). However, the committee could find no evidence that any payments had actually been made, and was of the opinion that Hanchu Kim had put the money to personal use (19:5).<sup>25</sup> Therefore, Hanchu Kim's contribution to the influence plan appears to have been somewhere in the range of negligible to nil.

However, such did not appear to be the case of Tongsun Park. In 1968, Park recognized that Korea would have to import large quantities of rice in order to feed its population. The rice was to be purchased and imported by a government agency--Office of Supply of the Republic of Korea (OSROK)--and not by private companies as had been the previous procedure (19:11). Park enlisted California Representative Richard Hanna and San Francisco Mayor Joseph Alioto to help him become appointed as the sales agent of the Rice Growers Association of California (RGA) for rice sales to OSROK (19:11). From this position, Park developed a plan designed to help Korea in two ways (19:11).

[F]irst, Congressmen whose constituents grew rice would be grateful to the ROK for buying the surplus; and second, the Congressmen would further be grateful

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<sup>25</sup>On September 27, 1977, a grand jury for the District of Maryland indicted Hanchu Kim and his wife on tax evasion charges in connection with the \$600,000 (44:13).

to the ROK if commissions on such purchases were given back to the Congressmen by Park as campaign contributions [19:11].<sup>26</sup>

From the late 1960s through the mid-1970s, Park received approximately \$9 million in commissions as rice sales agent. He testified that he also received over \$10 million from other sources during that period (75:27).

Park further testified that he gave

. . . over \$700,000 to various members of Congress, including about \$650,000 in campaign contributions and business consultant fees. The additional \$50,000, said Mr. Park, was spent for entertainment and "small gifts" [75:27].

However, the House committee questioned Park's motives when it concluded that Park provided payments to Congressmen principally so that they would help him receive rice commissions, rather than to provide support for ROK related legislation (19:22).

Nevertheless, the committee did find evidence that Park conducted an intensive lobbying effort which did help ROK legislation. In 1972, the foreign military assistance bill for FY 1973 came out of committee with a provision that would have increased from 10 to 25 percent the percentage of military aid that a recipient country was required to put on deposit in local currency amounts for use by the United States. In effect, this would have resulted in a 15 percent reduction in total military aid (75:56). Mr. Park testified that he

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<sup>26</sup>The surplus rice was bought under Public Law 480 which provides for a low interest, long-term loan for food purchases (19:11).

lobbied extensively against this bill, and was successful in having the requirement returned to 10 percent by the Senate. In the meantime, the House of Representatives had voted to eliminate the deposit requirement altogether. Since House and Senate conferees could not reconcile the different proposals, the Congress adopted a joint resolution to continue appropriations at 1972 levels (75:58).

In addition to Hanchu Kim and Tongsun Park, the Government of the ROK also implemented a plan to influence members of Congress directly through officials of the Korean government (19:85). The primary ROK official concerned was Kim Dong Jo (KDJ), who at the time was the Korean Ambassador to the United States. Although KDJ's efforts were smaller in magnitude than those of Tongsun Park, Kim Dong Jo was the cause of major strain in Korean-American relations. Kim Dong Jo's activities were restricted to attempts to give cash to a number of Congressmen and to making campaign contributions to pro-Korean candidates running for State and Federal office (19:86).<sup>27</sup> Difficulties in U.S.-Korean relations developed due to the involvement of the Korean Ambassador (KDJ) and the Korean government's refusal to make him available to the investigating committees for sworn

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<sup>27</sup>In 1972, Kim Dong Jo delivered ". . . an envelope containing a stack of \$100 bills about 1-inch thick . . . [19:86]" to Representative Larry Win, Jr., who returned it immediately. Additionally, KDJ instructed subordinates to disburse \$6,000 to state and federal office candidates with pro-Korean attitudes (19:86-87).

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testimony (45).

On May 8, 1978, the Speaker of the House, "Tip" O'Neill, called Ambassador Kim and advised him that if he (KDJ) refused to testify under oath, ". . . that the ROK would experience difficulties in connection with legislation . . . [19:91]." On May 10th, the ambassador declined. On May 31, 1978, House Resolution 1194 was passed which expressed the sense of the House that if KDJ were not made available for testimony under oath, that the House would be prepared to cut off nonmilitary aid to Korea (19:91). The Korean government and Kim Dong Jo refused again to cooperate. As a result, on June 22, 1978, the House voted to eliminate economic nonmilitary aid (PL480 monies) (19:92).<sup>28</sup> In August 1978, a final attempt to gain truthful testimony from Ambassador Kim failed. The House committee, having exhausted realistic sanctions against the ROK, decided to pursue the issue no longer for fear of inflicting major damage to U.S.-Korean relations (19:92-93).

#### Summary

The principal justification for American security assistance policy toward the ROK has been the fact that a friendly government on the Korean Peninsula contributes to the security of Japan (49:5). The U.S. is primarily interested in protecting Japan from nuclear threat, and

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<sup>28</sup>Total dollar value of the cancelled economic aid was \$56 million (20:H5950).

maintaining a forward base operating capability in Japan to reassure the Japanese of the U.S. commitment to the treaty alliance and to prevent Soviet expansionism in the region. In addition, Japan has historical concern that the Korean peninsula provides a direct invasion route to their island empire.

A second factor has been the development of a closer relationship with the PRC in order to promote regional stability. Such a relationship could be beneficial in view of the fact that Ting Hsiao p'ing seems to have greater influence in Pyongyang than does Moscow. Therefore, the U.S. gains a possibly indirect influence over North Korean actions. As a second benefit, improved relations with the PRC would essentially serve as a vote of confidence by Peking for the American presence in the region and provide the U.S. with a military counterweight to the Soviet Union.

A third factor of security assistance has been nuclear nonproliferation. Although the issue has not caused a major confrontation between Washington and Seoul, the impending threat of the withholding of military aid by the U.S. has caused the ROK to cancel one attempted purchase of a nuclear reprocessing plant.<sup>29</sup>

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<sup>29</sup> An interview with the Department of State Bureau of East Asia and Pacific Affairs official indicates the Korean attempts to purchase the A-10 Close Air Support Aircraft are stalled because its armor-piercing munitions employ depleted uranium (DU). DU is defined as a "source material" by ACDA and, therefore, not eligible for sale to the ROK under nonproliferation policies (6).

The human rights issue is a fourth issue of security assistance to South Korea. U.S. policy in this area is basically inspired by Article 55 of the U.N. Charter. In 1974, Congress enacted legislation which required nations receiving U.S. security assistance to comply with "internationally recognized human rights." Under President Carter, the issue has received increased emphasis as a factor in U.S. foreign policy. In South Korea, President Park Chung Hee has demonstrated a fluctuating human rights policy. Curtailment and liberalization of individual liberties seems linked to the extent of pressure from internal dissident groups, the perceived threat from North Korea, and pressures applied by the U.S. government. A primary concern of the U.S. with respect to Park's policies is the possibility of a revolution which would involve American troops. In general, incidents of torture and the number of political prisoners under Park's regime seem to foretell a declining trend.

Since the Korean peninsula is still technically in a state of war under suspension by the 1953 Armistice, it seems only fair to compare political freedoms between North and South Korea to obtain a true perspective rather than to judge the ROK's human rights record against the American ideal. In South Korea, economic and social liberties are largely unabated. However, political freedom is tightly constrained, and has been an issue of contention primarily for political and religious dissidents pressing for immediate return to democratic rule. In contrast, human rights in



North Korea appear to be nonexistent. Political opposition is not tolerated, religious services have not been held since 1960, and the population is economically and socially stratified.

The human rights situation in South Korea might also be affected, in the long run, by a U.S. troop withdrawal. The absence of U.S. troops could lead Park to tighten controls due to an increase in the perceived military threat from the North and, secondly, because U.S. troops would no longer be available as a "bargaining chip" to influence human rights policy.

The human rights issue was also a contributor to the fifth factor that has influenced U.S. security assistance, Koreagate. Koreagate was an attempt by the ROK to ensure that vital U.S. security assistance and economic aid to South Korea continued. In 1972, it took on a second purpose of softening American attitudes toward President Park's declaration of repressive decrees. The Koreagate investigation revealed that Americans of Korean extraction (Tongsun Park, Hanchu Kim, and others) and South Korean Embassy officials (Ambassador to the U.S. Kim Dong Jo and others) attempted to influence Congressmen and other political figures to favor Korean related legislation. Although the investigation revealed that few Congressmen had permitted themselves to be used, the investigation itself strained American-Korean relations extensively. The refusal of Kim Dong Jo and the ROK to cooperate with the investigation was directly



responsible for the U.S. cancellation of \$56 million in PL 480 monies in June 1978.

In summary, all of the following political factors have either directly or indirectly influenced American security assistance and/or security assistance policy toward the ROK: the U.S.-Japan Alliance, Relations with the PRC, the nuclear nonproliferation treaty, human rights issues, and Koreagate.

## Chapter 5

### ECONOMIC ISSUES

#### Introduction

Security assistance to the ROK has always been closely tied to economic assistance. As mutually supportive programs, they are directed toward the "long-term U.S. strategy of having Korea support the cost of its own defense [14:158]." During the period from 1975 to 1979, successes in Korea's economic development led to the U.S. decision to make changes in the security assistance program. And conversely, changes in the security assistance program have significantly affected the South Korean economy. This chapter presents a summary of the economic development pattern of Korea which has encouraged the U.S. government to change the security assistance program. The chapter also discussed how security assistance has been changed, how the MOD<sup>30</sup> program was concluded, the U.S. support for the ROK Force Improvement Program (FIP),<sup>31</sup> and the proposed

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<sup>30</sup>"In 1971 the United States and South Korea agreed to a 5-year, \$1.5 billion Force Modernization Plan. The MOD plan helped to compensate for the withdrawal of the U.S. 7th Division [46:44]." See Chapter 2, impact of the Nixon Doctrine on South Korea.

<sup>31</sup>"[T]he 5-year, \$5 billion force improvement program (FIP) in 1975 . . . was designed to make Korea militarily self-sufficient, provided the United States contributed 'significant air, naval, and logistical support' [14:205]."

compensatory measures to offset the withdrawal of ground combat troops of the U.S. Army 2d Infantry Division.

Korea's Economic Development  
Pattern

From its beginning in 1962, the South Korean Government of President Park Chung Hee has based its political legitimacy on economic development with the underlying assumption that economic development equals national security. With the assistance of the U.S. Agency for International Development,<sup>32</sup> the Park Government established the Korean Economic Planning Board (EPB) to function as a strong central-planning body. The country's economic planners set out at the start of the first Five-Year Plan in 1962 to build up a strong export sector based on the comparative advantage Korean manufacturers could achieve in certain industries in a global market (23:52).

Fortunately for Korea, their development drive began during a period of rapid growth in international trade. And despite the 1973 Arab oil embargo and the resulting worldwide recession in 1974-75, Korea has managed to sustain an average annual GNP<sup>33</sup> growth rate of more than 10 percent. Planning

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<sup>32</sup>The Agency for International Development (AID) was the administering agency for U.S. economic assistance (14). However, "[b]ecause of economic progress, the United States no longer has a bilateral development assistance program for South Korea [46:49]."

<sup>33</sup>GNP, or gross national product, is a comprehensive measure of a nation's total output of goods and services.

targets have been consistently met, such that Korean exports at current 1979 prices have grown from a meager \$55 million in 1962 to \$12.7 billion in 1978, with \$15.5 billion forecasted for 1979. Receipts from services--overseas construction, tourism and shipping--have also increased from \$108 million to \$5.8 billion in 1978 (23:52-54). As the following table indicates, economic growth is expected to continue through the end of the fourth Five-Year Plan in 1981.

TABLE 2  
Real Growth of Korean Economy  
(billion won,<sup>1</sup> 1975 prices)

| Year | Target | Actual              | Averaged Annual Growth Rate (%) |
|------|--------|---------------------|---------------------------------|
| 1975 | -0-    | 9,080               |                                 |
| 1976 | -0-    | 10,442              | 15.0                            |
| 1977 | 11,487 | 11,539              | 13.5                            |
| 1978 | 12,521 | 12,981              | 14.3                            |
| 1979 | 13,647 | 14,150 <sup>2</sup> | 14.0                            |
| 1980 | 14,876 | n/a                 | -0-                             |
| 1981 | 16,214 | 18,439 <sup>3</sup> | 17.2                            |

<sup>1</sup>Won is the official medium of exchange in South Korea.

<sup>2</sup>Based on EPB forecast for current year's growth

<sup>3</sup>Korea Development Institute estimate based on 1978 performance.

Source: Far Eastern Economic Review, May 18, 1979, p.52.



Senators Humphrey and Glenn observed in their 1978 report to the Foreign Relations Committee that

The ROK economic performance continues to inspire investor confidence. But, a continued U.S. commitment to the security of South Korea is probably required to maintain the confidence [46:74].

The Fraser subcommittee also noted that "security on the peninsula is absolutely fundamental to investor confidence [14:203]." Since 1975, changes in the U.S. security assistance program have not always contributed to investor confidence. However, the changes in security assistance policy have been inspired by the very economic development it affects.

Changes in U.S. Security Assistance :

"The traditional grant military assistance program ended in 1976, because of Korea's economic progress [46:47]." Much of the military assistance previously provided under grant aid was switched to the foreign military sales (FMS) program, a cash and credit<sup>34</sup> program. One result of switching to FMS was that the United States "phased out operations and maintenance support substantially more quickly than planned [14:204]." The disruptive effects of these changes will be illustrated later in the discussion of Troop Withdrawal Compensatory Measures to the Korean economy.

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<sup>34</sup>The terms of credit provide that the borrower shall pay the U.S. Government's cost of borrowing, with a one-time charge of one quarter of one percent. The repayment period shall not exceed the useful life of the item; the repayment period is typically 4 to 8 years, but may not exceed 12 years. Payments are made semi-annually (87:III.E).

Another economically valuable U.S. security assistance program to the ROK was terminated somewhat prematurely in 1978, when Congress voted to cut off \$56 million in Public Law 480 food aid.<sup>35</sup> The Humphrey-Glenn Report noted that by the end of 1977, South Korea had posted a "\$500 million trade surplus with the United States and [was] virtually self-sufficient in rice [46:49]."

However, the commitment to continue PL-480 assistance originated before the period of self-sufficiency under the Kennedy Agreement of October 1971, whereby the U.S. agreed to ship PL-480 food commodities to Korea as quid pro quo for reduced textile imports into the United States<sup>36</sup> (46:48). Despite the fact that PL-480 legislation had been amended in 1971 to restrict its use to only economic aid, South Korea was using it for other purposes (14). The Korean Minister of Economic Planning, Nam Tok-u, told the Humphrey-Glenn staff

. . . that continuation of Public Law 480 was important at this time [1977]. The local currency profits of the commodity sales [were] Korean Government revenue which, in turn, [was] used to offset increasing domestic defense

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<sup>35</sup>See Chapters 3 and 4 for discussion of the political issues associated with cancellation of PL-480 assistance.

<sup>36</sup>The Kennedy Agreement was not limited to PL-480. The compensatory measures included \$50 million in Export-Import Bank loans, \$150 million in extra development loans, \$275 million (net of previous agreements in extra PL-480 assistance, and an additional \$225 million in investment guarantees. The concessional aid package provided for low interest, ten-year grace period, 40 years to repay (14:191-196; 46:48).

costs. He said without the Public Law 480 local currency revenues, the ROK would have to curtail economic development or increase taxes because defense costs could not be reduced [46:49].

Minister Nam Tok-u's statement clearly showed that South Korea's use of PL-480 assistance was not in accord with the intent of the U.S. Congress. But, as noted, PL-480 assistance was provided as an offset measure in the textile agreement. Objectives on both the U.S. and Korean sides were not aimed specifically at economic development schemes.<sup>37</sup>

The Humphrey-Glenn Report stated that "the economic case for continued Public Law 480 aid outside of the Kennedy Agreements [was] weak [46:49]." Therefore, when Congress voted to cut off PL-480 aid, it did not have a serious impact on the Korean economy. South Korea

. . . purchased nearly \$1 billion worth of agricultural goods [through commercial markets in 1978], and agricultural imports from the U.S. were expected to be at least 10% higher in 1979 [38:49].

#### Conclusion of the MOD Program

The five-year Force Modernization Program (MOD) was not concluded in 1975 as expected, because Congress did not appropriate sufficient grant aid funds. As noted earlier, South Korea's economic progress justified the U.S. decision

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<sup>37</sup>Paul W. Kuznets, Professor of Economics, Indiana University, contrasted U.S. aid objectives and protectionist measures like the textile restrictions to the Fraser subcommittee as a "juxtaposition of conflicting policies [17:85]." The U.S. provided assistance to help Korea develop economically. Then, with development underway, continued development was hindered by imposing restrictions on Korean exports.

to switch to FMS credits in 1975. The stretch-out of the MOD plan and the switch to FMS credits intersected in 1975. Wherein, the first five years of the MOD plan had provided significant grant aid assistance, the last two years, 1976 and 1977, shifted the expense burden almost entirely to the Koreans in the form of FMS as indicated on the following table.

TABLE 3  
MOD Plan

| Terms  | 1971-75 | 1976-77 | Total |
|--|---------|---------|-------|
| Grant . . . . .  | 918     | 70      | 988   |
| FMS . . . . .  | 116     | 412     | 528   |
| Total . . . . .  | 1,034   | 482     | 1,516 |
| Progress (percent). . . .  | 69      | 31      | 100   |
| Source: <u>U.S. Troop Withdrawal From the Republic of Korea,</u><br>p. 44. |         |         |       |

"The South Koreans were not satisfied with the terms of the MOD plan, believing they were promised the entire \$1.5 billion in grant aid [46:44]." Furthermore, they believed they were overcharged for the ground equipment and aircraft which were not new at the time of the transfer (46:44; 81).

U.S. Support to the Force  
Improvement Plan (FIP)

As discussed earlier, the extent of the U.S. commitment to South Korea was uncertain in 1975. This uncertainty led the Park Government to conclude that military self-



sufficiency was a vital objective to be achieved as quickly as possible. Therefore, military self-sufficiency became the declared goal of the five-year, \$5 billion FIP in 1975. A national defense tax was levied to support the 28 percent increase in the ROK defense budget from 1975 to 1976.<sup>38</sup>

Korea's own foreign exchange reserves account for 65 percent of the funding, and the U.S. provides \$275 million per year in FMS credits (14:205). "However, long delays in implementation raise questions about the ability of South Korea to meet its 1980 goal [46:45]."

#### 2d Division Troop Withdrawal Compensation Measures

The economic effects of withdrawing combat troops of the U.S. Army 2d Division and the corresponding transfer package were uncertain after President Carter's decision in July 1979 to suspend the withdrawal at least until 1981.

In 1978, Congress had approved a military aid package for Korea worth an estimated \$1,167 million including a provision to transfer U.S. Army 2d Division equipment to Korean military forces (38:43). The equipment that would be transferred to the ROK has been valued at \$800 million<sup>39</sup> and would provide additional mobility (helicopters, APC's and

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<sup>38</sup> Individual employees in Korea who receive the equivalent of the USAF's monthly leave and earnings statement are visibly reminded of the cost of national defense: there is a separate line identified as national defense tax.

<sup>39</sup> "1981 dollars, calculated by projecting the replacement cost and subtracting depreciation [46:45]."

self-propelled mortar carriers); fire power (M48A5 tanks and conversion of older M-48s, TOW launchers, Cobras, howitzers); and antiaircraft weapons (I-Hawk Battalions, Vulcan Guns) (46:45-46).

The Executive Branch proposed to the Congress that the equipment be transferred to the ROK on a grant basis "because the equipment is old, Korea has substantial long-term debts, and it might be easier to secure Congressional passage because no appropriations [were] required [46:47]."

Congress agreed to the Executive Branch proposal by providing for the transfer of defense articles and services to the ROK without reimbursement in the International Security Assistance Act (ISAA) of 1978. However, the ISAA of 1978 further requires that the transfer of defense articles and services be made only in conjunction with the withdrawal of the 2d Infantry Division and support forces from South Korea (18). Therefore, very little equipment has been transferred, since the President's revised troop withdrawal timetable allowed for the removal of only one combat battalion of 800 troops and 2,600 noncombat personnel in 1978 (38:43). Upgrade efforts are proceeding on command, control, communications, and intelligence facilities and equipment which will enhance joint U.S.-ROK readiness in the future irrespective of the fact that the troop withdrawal schedule has been suspended.

#### Summary

The U.S. commitment to the security of South Korea

has been a cornerstone of investor confidence and contributed to a stable environment for economic growth. South Korea's economic success has been held up as a model to the world, and led the U.S. government to modify its basic security assistance program to the ROK from grant aid to FMS. The switch to FMS was initially traumatic for the Koreans. However, Korea's continued economic growth allowed the ROK government to absorb the change without major disruption. Like the switch to FMS, the loss of PL-480 assistance was a disappointment for the Koreans. Again however, their economic vitality allowed them to adjust.

The U.S. continued to move in the direction of its long-term objective of having the ROK provide for its own defense--not always in the same manner or at the same pace that the Korean government would prefer. The 1971 MOD plan was finally concluded in 1977 with the ROK contributing an unanticipated \$412 million through FMS. The U.S. plans to support South Korea's FIP with \$275 million per year in FMS credits. And even though the troop withdrawal schedule was halted until at least 1981, the U.S. Congress approved a \$1,167 million security assistance program including an \$800 million military equipment transfer program on grant terms.

## Chapter 6

### MILITARY ISSUES

#### Introduction

The ultimate objective of political and economic policies of the U.S. in South Korea has been to promote ROK military self-sufficiency (73:43). By virtue of the multiple interests that intersect in the Korean peninsula, it would have been unrealistic for the U.S. to develop political, economic, and military strategy toward the ROK without full consideration for regional influences. The previous chapters have developed those political and economic factors which have influenced U.S. security assistance to South Korea. The military issues to be presented in this chapter are largely determined by the success or failure of U.S. political and economic strategies for conducting security assistance to the Republic of Korea.

Militarily, the primary objectives of U.S. security assistance policy to South Korea have been to foster regional stability and balance of power (14:19-56), and to promote strategic stability within the Korean peninsula itself (46:19-56). Regional stability and balance is the product of a complex military equation that involves, as variables, the interests and role of the United States in the region as well as the prevailing objectives and strategies of the



Soviet Union, the PRC, and Japan (49). Stability within the Korean peninsula is primarily determined by the North-South military balance and the posture of those military forces (46). Both of these objectives (regional stability and stability on the peninsula) of U.S. security assistance, along with their constituent elements, will be discussed in the following sections of this chapter.

#### Regional Stability and Military Balance

The goal of regional stability and military balance in Northeast Asia has been cited in major policy statements: by President Ford's "New Pacific Doctrine," December 7, 1975; Secretary Vance's speech to the Asia Society, June 29, 1977; and former Secretary Kissinger's speech in Seattle, July 22, 1978 (14:174). This is, perhaps, in recognition of the fact that "Asia has been one of the world's most unstable and violent regions thus far in the 20th century [46:7]." James E. Dornan, Jr., points out in "Japan and the Shifting Asian Balance," that when considered in its full geographical extension (PRC, Taiwan, North and South Korea, Mongolia, and the Asian portion of the USSR), Northeast Asia contains a greater concentration of military forces than any other comparable region in the world today. Within this region the relations and interests of the world's four major powers (U.S., USSR, PRC, Japan) are complicated by the two Korean powers, armed to the teeth and facing each other across the DMZ (22:53).

The American definition of balance of power in Northeast Asia has centered on the Soviet presence (14:174). It is this presence that has been in a metamorphic state and threatens substantial redistribution of power in the region. In the past decade, Soviet military power has grown immensely in Asia (22:53).

1. The 6th Airborne Division has recently been brought up to its full strength of 7,200 troops, an increase of 25-50 percent.

2. New An-22 transport planes are replacing the older An-12 models.

3. Since 1975, tactical air forces have been upgraded substantially. Older model MIG-21s and MIG-17s are being replaced by late model MIG-21s, Su-17 Fitter Cs, Su-19 Fencers, MIG-23 Floggers, MIG-27s, and MIG-25B recce-planes. The entire Soviet complement of aircraft in Asia is now over 2,000: 500 bombers, 1400 interceptors and fighter-bombers, and 140 patrol planes (22:53).

4. During the five past years, 20 new airfields have been constructed in the region, bringing the total to more than 80.

5. Reports indicate the new SS-20 MIRved mobile missile has been deployed in the region.

6. The Soviet fleet has grown dramatically in the Pacific. Among the more than 750 Soviet ships deployed in Asian waters are: ten cruisers, eighty destroyer-escort vessels; and 125 submarines of which at least 50 are nuclear

powered.<sup>40</sup>

Due to this growth of Soviet military capability in Asia, the other major powers (Japan and PRC) have signaled major shifts in foreign policy (22:54). Many observers feel that China's recent responses to normalization of relations with the U.S. are largely due to Chinese alarm over the Soviet threat. Additionally, China has urged NATO members to oppose the signing of a SALT II agreement by the U.S. with the USSR and has suggested that Japan expand its military capability to contribute to stability in the region (22:54). The reader will recall that historically speaking (Chapter 2), the PRC has opposed development of a significant Japanese military capability; however, it appears China is willing to allay old fears in order to deal with the increased Soviet threat.

Japan has, in the past, been referred to as an economic power "but a military and political pygmy [22:54]." Economically, Japan is one of the three largest powers in the world, but its refusal to invest more than one percent of its GNP in defense expenditures has left it with a military force that is too small and inadequate to deal with a Soviet threat (22:54). However, there have been recent

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<sup>40</sup>In comparison, the U.S. naval force in the Pacific, the Seventh Fleet, consists of a total of 50 vessels (22:54). Soviet willingness to use its naval supremacy in the region was demonstrated during the 1968 Pueblo incident when 16 Soviet vessels placed themselves between the North Korean coast and the U.S.S. Enterprise-led naval task force (22:53).

indications that the Japanese government and people are prepared to step out of their "nondefense shell." In 1976, the Japanese Prime Minister's Office conducted a national poll. The results indicated that 78% of those supporting the Japan Socialist Party and 55% of Communist Party supporters favored retention of the defense forces, even though official party platforms called for their abolition (67:44). These results were congruent with a high level of anxiety felt on the part of the government of Japan and its people over the ever-increasing military presence of the Soviet Union in the region.

This fear was expressed with the release of a series of Japanese Defense White Papers from 1976-1978. In 1976, Takuya Kuba, then Secretary General of the National Defense Council expressed the opinion that Soviet air and seapower in the region were vastly superior to similar U.S. forces. In 1977, the Defense White Paper went into greater detail. In it the Japanese National Defense Council determined that with the Soviet deployment of

. . . large land based ICBMs with massive yield warheads . . . , the strategic arsenal of the Soviet Union is now numerically superior in almost every indicator to American weaponry. . . . [T]here is growing anxiety that such Soviet efforts might lead to the relative superiority of the Soviet Union in mutual nuclear deterrence. . . . Such a development could affect the trust of the Western powers in the U.S. [22:55].

Though it represented a departure from normal Japanese practice, the 1978 Defense White Paper was more substantive and set in motion increased efforts of Japan to provide for its own security (22:55-56). Long-range planning was



initiated by the Joint Staff Council of the Self-Defense Force to prepare a plan for joint military operations in the event of a Soviet attack (22:56). Additionally, in June 1978, the Japanese Defense Agency (JDA) Director, General Kanemaru, proposed to U.S. Defense Secretary Harold Brown the development of a joint plan of defense for the sea lanes of the Pacific in the event of war. Neither the results nor official U.S. reactions to this proposal have been made public (22:57).

Sea lines of communication are important to the Japanese fishing fleet and could become a major issue if the potentially oil-rich petroleum reserves southwest of Okinawa in the Senkaku Islands become a bone of contention between Japan and China (49:33). Therefore, quite possibly due to the Japanese perception of a relatively weak U.S. naval presence and an expected lack of American reaction to the Japanese proposed joint plan for defense of sea lanes, Japan began to develop an indigenous defense modernization program for naval as well as ground and air forces (49:28-34).

The naval forces have been strengthened by two classes of destroyers, the Haruna and Amatsukaze classes, both of Japanese design and construction. The Haruna class provides extended antisubmarine warfare (ASW) capabilities with three helicopters aboard each vessel. A total of four Harunas were planned for production and are in service. The other class of modern destroyer, Amatsukaze, provides a modern antisubmarine warfare (ASW) suite along with a modern air defense missile system. A total of three Amatsukazes

are in service and no more are planned for the immediate future (49:33).

Growth of Japanese military capabilities is also seen in development and production of weapons systems for the Self-Defense Force's ground contingent. Modernized equipment built and designed by Japan includes the type 74 battle tank, a new 155mm artillery unit, and a self-propelled rocket launcher. The type 74 battle tank is comparable in capability to foreign front-line tanks. About 150 type 74's have been built. Complimentary to the new battle tank are the 155mm artillery unit and the rocket launchers. Both provide significantly increased firepower to the SDF ground forces. The artillery unit entered the inventory in 1976 and procurement of rocket launchers began in 1977 (49:30).

The air arm of the SDF has also seen recent development and improvement. In 1979, the F-15 Eagle was selected to replace the aging F-104Js as the mainstay of Japanese air defenses. Additionally, Japan has built two fighter-attack aircraft, the F-1 and the FS-T2. The F-1 is a close-support fighter while the FS-T2 is an attack aircraft which can be configured with short-range antiship missiles (22:56; 49:32).<sup>41</sup>

Aside from the Japanese emphasis on strengthening of the SDF naval, ground, and air forces in the mid-1970s, there

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<sup>41</sup>The JDA recently decided to purchase 100 American F-15s over the next decade, twenty-three of which were to be delivered in FY 79. Also during FY 79, fifteen F-1s were being procured (22:59).

has also been increased public speculation by Japanese government officials of a possible nuclear capability for Japan. In 1978, the Japanese Diet held debate concerning the constitutionality of the nuclear option. It is significant that this discussion was not subjected to the intense criticism by the Japanese media and opposition party leaders as it had been in the past (22:57). These events should not be construed to indicate a Japanese desire to develop a nuclear weapon production capability, but serve merely to point out that consideration of this option is actively being discussed by government officials.

The increased consideration of a nuclear option and the development and production of more modern weapons indicate a changing attitude on defense on the part of Japan during the mid-1970s. It appears these actions are primarily a response to the escalated Soviet military threat in the region, Japanese perception of an inferior U.S. naval capability in the Pacific, a weakening U.S. presence on the Korean peninsula, and mainland China's more permissive attitude toward greater militarization of the Japanese SDF. If Japan is indeed the fulcrum of U.S. military and economic strategy in Asia as announced by President Ford's "New Pacific Doctrine" in 1975, then at least in Japanese eyes, the U.S. has failed to respond to an increased Soviet military threat in Northeast Asia. Therefore, by virtue of its inaction, the U.S. has contradicted its political objectives of maintaining a secure Japanese alliance and promoting a

regional military balance.

The primary reason for these perceptions by the Japanese has been the military passivity in the region and troop withdrawal program from South Korea of President Carter (92:22). In recognition of this fact, President Carter held summit conferences from 25 June to 1 July 1979 in Japan and Korea.

By conferring with Far Eastern allies and inspecting a dangerous flashpoint in Korea, the President has this aim: To reaffirm the commitment of American military power in Asia. [Said a top administrative official], We want to underline through this visit, both to Japan and to Korea, that the United States remains an actively involved Pacific power [2:16].

This apparent switch in the Carter Administration's policies with respect to Asia was attributed to three factors (2:16):

1. The massive buildup of Soviet military power and Moscow's boldness in using that strength to intervene in Third World crises.
2. The impact of the crisis in Iran; the Administration's inability to influence the situation gravely undermined U.S. credibility in the eyes of many allies.
3. The potential for war in Asia was far greater than the Administration had originally calculated. Influencing factors for this conclusion included: the continued conflict in Indochina that has involved Vietnam, Cambodia, China, and indirectly the Soviet Union; and the disclosure of a new intelligence study which indicated that North Korean troop strength had been underestimated by as much as 25 percent.



President Carter has already taken steps to rebuild American credibility in general, with particular emphasis on Asia. As of July 20, 1979, the following policy changes have been outlined to maintain regional stability in Asia and reaffirm the American security commitment to the ROK (2:16):

1. Postponement of the withdrawal of U.S. ground forces from Korea until at least 1981. The White House position stated:

. . . that new reductions in American combat elements should await credible indications that a satisfactory military balance has been restored and a reduction in tensions is underway [62:3].

2. Build a strong American military presence in the Indian Ocean and the Persian Gulf region. This includes the dispatch of a carrier task force to the Indian Ocean to increase American naval visibility in the region.

3. To develop an Army "rapid-reaction force" of 110,000 troops to deal with crises in distant areas.

4. Participation by Secretary of State Cyrus Vance in the June 1979 meeting of Southeast Asian Nations. Though several of the measures announced by the White House do not deal directly with the Northeast Asian region, they have served notice to American allies and antagonists in the region that American verbal promises will be backed by American actions when situations warrant. Additionally, the measures are designed to discourage Japan from playing an expanded military role in Asia, and encourage it, instead,

to improve the quality of its SDF and further develop economic relations in Asia with the PRC and ROK (89:28).

#### Korean Peninsular Stability

Stability on the Korean peninsula is primarily a function of two factors: 1) the North-South military balance and 2) the military posture of each of these forces (46:12). American political, economic and military strategy for security assistance was designed, in theory, to promote a balance of these two factors between North and South Korea. Speaking on U.S. force levels in Korea before the Subcommittee on Foreign Assistance and Economic Policy of the Senate Foreign Relations Committee on 8 April 1976, then-Assistant Secretary of State for East Asian and Pacific Affairs Habib stated:

. . . the specific level of our forces in Korea is not immutable. It is a function of the North Korean threat, the ability of the Republic of Korea forces to meet that threat, and the prevailing international situation [80:383].

U.S. policymakers have long espoused the belief that conflict on the Korean peninsula could be deterred by a proper balance of forces between North and South. Other important factors include the relative military strength of North and South Korea and their capabilities for projecting their respective designed military postures (15:52). These factors, their role in U.S. security assistance to the ROK, and present security assistance considerations for these factors will be presented in the following two sections.

Military balance. Basic to the military balance between the ROK and the Democratic People's Republic of Korea (DPRK or North Korea) are: the composition of forces, both quantitatively and qualitatively; domestic defense production capabilities; and security assistance in the form of either troop presence or sales and grants of other military goods and services (15; 46). It is beyond the capability of this research to provide an accurate discussion of North Korea's defense production capabilities and foreign military assistance to DPRK due to the extremely limited availability of nonclassified information in these areas. Therefore, emphasis on these two topics will be given to South Korea and the contribution toward meeting the perceived threat from the North. However, a detailed discussion of both sides' respective force structure is possible with the use of information available through unclassified sources.

Force structure:<sup>42</sup> The subject of North versus South Korean force structure and composition was an item of intense debate with respect to President Carter's U.S. troop withdrawal program in 1979. It was Carter's impression that North and South Korean ground forces were approximately equal in strength. However, U.S. Army and CIA studies found instead that North Korean ground troop strength had been underestimated by approximately twenty percent. The numbers had

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<sup>42</sup>The force composition tables on the following three pages form the framework for the discussion of this section.

TABLE 4  
Ground Forces Composition<sup>1</sup>

| North Korea   | South Korea  |
|---|--|
| <p>600,000 troops<sup>2</sup></p> <p>40 infantry divisions<sup>2</sup></p> <p>12 infantry brigades</p> <p>2 tank divisions</p> <p>5 tank regiments</p> <p>3 motorized infantry divisions</p> <p>3 reconnaissance brigades</p> <p>3 antiaircraft artillery brigades</p> <p>10 antiaircraft artillery regiments</p> <p>5 airborne battalions</p> <p>3 SSM regiments</p> <p>20 artillery regiments</p> <p>2,600 tanks<sup>2</sup></p>  | <p>580,000 troops</p> <p>19 infantry divisions</p> <p>7 tank battalions</p> <p>1 mechanized division</p> <p>1 marine division</p> <p>2 marine armored divisions</p> <p>2 air defense brigades</p> <p>30 artillery battalions</p> <p>5 special forces brigades</p> <p>2 SAM brigades with HAWK and Nike Hercules</p> <p>1 SSM battalion with Nonest John</p> <p>880 tanks</p> |
| <p><sup>1</sup>North Korea also has a strong paramilitary force consisting of 40,000 security forces and border guards, and civilian militia of 1-2 million with small arms. South Korea has 1.1 million reserves and approximately 1 million personnel in the Homeland Defense Reserve Force for rear-area security.</p> <p><sup>2</sup>Statistics for these categories reflect Army and CIA revised estimates released in January 1979 (1:2).</p> <p>Source: The Military Equation in Northeast Asia, p. 38; and Air Force Magazine, December 1978, "The Military Balance 78/79," p. 102.</p> |  |



TABLE 5

## Naval Forces Composition

| North Korea   | South Korea <sup>1</sup>                    |
|---|---|
| 27,000 troops   | 32,000 troops                               |
| 15 submarines   | 49 frigates                                 |
| 3 frigates  | 9 destroyers                                |
| 21 large patrol craft   | 10 coastal escorts                          |
| 18 fast patrol boats with Styx SSM  | 23 coastal patrol craft (10 large)          |
| 100 motor gun boats   | 8 fast patrol boats with Standard SSM       |
| 157 motor torpedo boats   | 5 fast patrol boats without guided missiles |
| 90 landing craft  | 11 coastal minesweepers                     |
|   | 22 landing craft                            |
| <sup>1</sup> The ROK also has 25,000 naval reservists.<br>Source: <u>Air Force Magazine</u> , December 1978, "The Military Balance, 78/79," p. 102. |   |

TABLE 6  
Air Forces Composition

| North Korea  | South Korea <sup>1</sup>   |
|--|--|
| 45,000 troops  | 30,000 troops  |
| 655 combat aircraft  | 276 combat aircraft  |
| 3 light bomber squadrons with 85 II-28s                      | 15 fighter-bomber squadrons (37 F-4D/E, 35 F-5A, 126 F-5E, and 48 F-86F) |
| 13 fighter ground attack squadrons (20 SU-7, 320 MIG-15/-17) | 1 reconnaissance squadron with 10 RF-5As                                 |
| 10 interceptor squadrons (120 MIG-21, 110 MIG-19)            | 1 antisubmarine warfare squadron with 20 S-2Fs                           |
| 250 transports   | 1 search and rescue squadron   |
| 60 helicopters   | 34 transports  |
| 110 trainers   | 103 trainers   |
| antiaircraft atoll air-to-air missiles                       | 54 helicopters   |
| 3 SAM brigades with 250 SA-2 missiles                        | sidewinder and Sparrow air-to-air missiles                               |

<sup>1</sup>The ROK also has 55,000 air force reservists.

Source: Air Force Magazine, December 1978, "The Military Balance 78/79," p. 102.

shifted from 150,000-man advantage for the ROK in 1977 to a 20,000-man advantage for the DPRK in 1979. The discovery of the DPRK's greater ground troop strength led experts to another discovery: a greater number of North Korean infantry divisions and tanks than had been anticipated (30:2).

The estimated number of infantry divisions was increased from 19 (the same number possessed by the ROK) to 40 divisions and the number of tanks from 1,950 to 2,600 (1:2). These significant discoveries indicated an even more superior firepower advantage of North Korean armed forces than had been previously estimated (46:7). It can be surmised that Washington's perception of the DPRK firepower advantage has offset the previous defensive advantages of the ROK in terrain, manpower, and reserve strength. This was evidenced in President Carter's decision on July 20, 1979 to suspend further U.S. troop reductions in the ROK (62:1).

In addition to a significant ground firepower advantage, the North enjoys a quantitative naval advantage. Since South Korea must rely heavily on open sea lanes for foreign trade, the North Korean naval threat is manifested in submarine, torpedo and patrol boats (46:31). Although the 15 submarines are noisy and old Soviet designs (1950s), they have presented a detection problem to obsolete ROK ASW forces (49:41). While the North has no real capability to launch an amphibious attack on South Korea, its many torpedo and patrol boats and limited landing craft give it the

capability to mine ROK harbors, land small guerilla warfare teams, interdict airfield operations, and interrupt supply operations. The ROK cannot hope to deal with this threat without U.S. naval assistance. Therefore, it relies heavily upon early commitment of the U.S. 7th Fleet to nullify the capability of the torpedo and patrol boats and landing craft (46:31).

The North also enjoys more than a 2-to-1 advantage in combat jet aircraft (655 versus 276 ROK aircraft). Although many of these aircraft are obsolete--the most modern components are the MIG-21 and SU-7s--and limited in performance, they present a significant threat.

. . . [G]iven its [DPRK] short flight time to Seoul and to the South's defensive positions, it could launch a large-scale surprise attack that would be formidable to defend against [49:41].

The ROK Air Force is outnumbered by the North, but its F-5A/E Tigers compare favorably with the MIG-21, and the F-4D/E Phantoms are a far superior aircraft. Coupled with the eighty HAWK and 40 Nike-Hercules SAM launchers the ROK could inflict heavy damage on any invading air force from the North (49:41). However, even this redeeming value of ROK air forces may be jeopardized by the introduction of the Soviet MIG-23--which is superior to the F-4D/E Phantoms --into the peninsula. Pentagon sources reveal that 60-100 North Korean pilots may be undergoing flight training in Libya in the MIG-23. If this portends MIG-23s for the DPRK, then the North would possess not only clear quantitative



air supremacy, but would also hold a qualitative edge over the South (40; 52). Although the Carter Administration failed to approve the sale of F-16s to South Korea as of August 1979, an American perception that the MIG-23 may be introduced in North Korea could spur approval of the sale. Therefore, the implications for U.S. security assistance with respect to the ROK Air Force are that change may be in the offing.

ROK domestic defense production: In the mid-1970s, another change in U.S. security assistance philosophy toward the ROK occurred. The United States came to endorse a policy of promoting Korean defense industries (15:74). From the American point of view, there appeared to be two primary reasons for this change in philosophy (46:51). First, the U.S. desired to decrease its ground troop commitment, an increased defense production capability by the ROK would remove some of the pressure of a remaining North Korean threat. Second, the four Five-Year Economic Development Plans of the ROK had succeeded in developing a strong and growing economy capable of assuming, in the American interpretation, a greater role in defense production.

From 1971-1978, the US supported Korean production of high-speed coastal patrol and interdiction craft ("fast boats"), model 500 helicopters, conversion of M-48 tanks, M-60 machine guns, surface-to-surface missiles, and the M-16. However, there was no blanket endorsement of Korean defense production [15:78].

The blanket endorsement has most likely been withheld due to two basic deficiencies that presently exist in

the ROK defense industry: insufficient quality control procedures and weak management (46:51). The first deficiency is due to past ROK practices of using U.S. technical data packages and reverse engineering to build small arms and communications equipment. As a result, South Korea underestimated the technical skills required in industrial processes. Even failures in prototyping air defense artillery systems have not fully convinced the ROK that it should acquire the "how" through technical assistance programs from U.S. government agencies and commercial firms. The second deficiency, poor management, is primarily attributed to the rigid, hierarchical management structures of Korean industry. The structure serves to stifle feedback of production problems by skilled workers and necessarily further complicates weak coordination and inadequate manufacturing technology.

Senators Hubert H. Humphrey and John Glenn observed:

The most difficult task facing US MAAG [Military Assistance Advisory Group] personnel is to make Koreans aware of the need to spend money to acquire technical knowledge, not just hardware. . . . [and] to persuade the ROK to slow production lines while instituting higher standards of quality control. . . . [T]he speed of defense industrial production has exceeded the capability of ADD [Agency for Defense Development] to monitor quality control and provide technical assistance [46:51-52].

In the 1978-1979 time frame, ROK cooperation and U.S. security assistance appear to be moving toward improving quality control and management practices. U.S. Department of State officials have cited an increasing trend since 1978 on the part of Korea in requesting technical data packages

for the production of defense systems (48). In addition, the two countries have adopted a mutual strategy for security assistance designed to improve Korean production and quality control procedures in the aircraft industry (40). The strategy is a dual development process. One part is designed to develop a depot-level repair capability in Korea. The project is known as Pacer Dot and is designed to establish facilities and technical competence in South Korea to accomplish depot-level overhaul and repair of ROKAF F-4D/E aircraft. The second part calls for Korean coproduction and/or coassembly of U.S. aircraft.<sup>43</sup> State Department officials feel that a coassembly program for the F-5, A-7, or A-10 is the most likely prospect, with the F-5 being the State Department's favored choice as of July 5, 1979 (6). The implications for U.S. security assistance to the ROK from 1975-1979 leaned more heavily in the direction of improving the domestic defense industry. If the strategy is successful, it should decisively affect the future role of U.S. forces on the peninsula and, perhaps, precipitate a renewal of troop withdrawal action by the U.S.

Role of U.S. forces: "The 40,000 American soldiers currently stationed in South Korea serve three functions: assistance

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<sup>43</sup>In order for this strategy to be economically feasible, a Pentagon official in the Office of International Programs for Asia estimates that the program must include at least 100 aircraft (40).

with defense, deterrence, and truce keeping [46:35]."

Assistance with defense concerns the role of U.S. forces in maintaining the viable forward defense concept designed by Generals Hollingsworth and Stillwell in 1974. The concept is designed to defeat a North Korean attack before it reaches Seoul (46:39). The deterrence role is fulfilled by two aspects of U.S. force presence: first, U.S. troops act as an automatic "tripwire" that would involve the U.S. directly as a result of a North Korean invasion; and second is the deterrent effect provided by an estimated 661-686 nuclear weapons maintained by U.S. forces in South Korea (16:146). Finally, the truce keeping function is performed by the U.N. Command under the direction of General Vessey, CINCUNC (46:41). The roles of these three functions and their effects on U.S. security assistance will be presented in this section.

Senior U.S. military officers in Korea believe that the function of assistance in defense can be transferred to the ROK only with great difficulty (46:35). Because the forward defense concept has important consequences, U.S. forces have played a relatively larger role since 1974 in the defense of Seoul (46:39).

It [forward defense strategy] has accentuated the need for strong, in-depth reinforced defensive positions, massive firepower, mobility, excellent communications, tactical air support, better air defense and substantial warning time before an attack [46:39].

In a much censored discussion of the Korean situation, Senators Humphrey and Glenn emphasize that "[w]arning time is



the single most critical factor in the military equation [46:30]." A pending attack could be discovered by either strategic or tactical warnings. Strategic warning relies on political and military indicators while tactical warning is provided by explicit evidence that an actual attack is imminent. The possibility of strategic warning is reduced due to the closed nature of North Korean society, and tactical warning due to large troop movements may not be forthcoming because North Korean forces are already in place, by virtue of their offensive posture along the DMZ (46:39).

A second important factor of the forward defense strategy discussed by Humphrey and Glenn is massive firepower. The requirement for an intense firepower capability dictates that an abundant supply of ammunition (War Reserve Stocks, Allies or WRSA) be available during the early days of fighting. Senator Glenn observed that WRSA actual levels were less than desired levels in 1977, and it is the WRSA munitions upon which the ROK would have to rely for support of massive firepower without a U.S. troop presence (46:47-48). U.S. troops presently supply all of the above mentioned ingredients.

As a result, the US Commander of I Corps, Lt. Gen. John Cushing told the Committee on Foreign Relations staff: [deleted] Removal of the 2d Division requires major ROK improvements [46:39].

The 2d Division and U.S. ground combat troops in the DMZ also serve two deterrent functions which military officials feel cannot be transferred to the ROK by the

mid-1980s (46:35). First, the U.S. ground troops in the direct path of the North Korean invasion route in the DMZ would serve to almost certainly involve U.S. forces. In addition, the 2d Division, in its reserve posture, would probably be involved in fighting within 48 hours. The result has been referred to as a "tripwire" for American involvement (46:40). The second deterrent, American Army nuclear weapons, is not transferable to the ROK and would have to be withdrawn in conjunction with ground troop departure (46:40). The effect of the loss of the American nuclear deterrent (see Table 7 for composition) in South Korea is believed to be primarily psychological since the likelihood that the U.S. would use nuclear weapons against a non-nuclear country is very low (16:146). However, the South Korean leadership remains concerned how such a reduced deterrent would be perceived by Kim Il Sung (46:41).

The third and final role of U.S. forces is truce keeping. Conducted through the auspices of the UNC, it is also a role that, in the opinion of senior military officials, cannot be transferred to the ROK in the short future (46:35). Under the operational control of General Vessey, combined ROK and American military forces in Korea totaled 640,000 men in January 1978 (46:35). As CINCUNC General Vessey issues truce keeping orders and enforces them with U.S. troops, thus providing the ROK with political reasons for not reacting to deliberate attempts at intimidation by Kim Il Sung (46:41). There have been three examples since 1976

TABLE 7  
American Nuclear Weapons in South Korea

| Service | System        | Number of Nuc.<br>Capable Systems | Total Nuc.<br>Weapons | Explosive Power<br>per weapon<br>(maximum kilotonnage) |
|---------|---------------|-----------------------------------|-----------------------|--|
| USAF    | F-4           | 48                                | 192                   | 10kt <sup>1</sup>                                      |
| US Army | Artillery     |                                   |                       |  |
|         | 8" (M-110)    | 28                                | 56                    | 1kt  |
|         | 155mm (M-109) | 76                                | 152                   | 1kt  |
|         | SAM           |                                   |                       |  |
|         | Nike-Hercules | 144                               | 144                   | 5kt  |
|         | SSM           |                                   |                       |  |
|         | Honest John   | 4                                 | 80                    | 100kt  |
|         | Sergeant      | 2                                 | 12                    | 100kt  |
|         | Atomic Mines  | 25-50                             | 25-50                 | 5kt  |
| TOTALS  |               | 327-352                           | 661-686               |  |

<sup>1</sup>The Hiroshima bomb was 15kt.

Source: Investigation of Korean-American Relations, Part 3, p. 146.

where General Vessey used UNC authority to restrain ROK reaction to North Korean actions.<sup>44</sup>

During the August 18, 1976 tree-cutting incident [deleted] the reaction was delayed until reserve forces could be mobilized. Then the response was restrained and the tree was cut down. Similarly, in connection with the July 1977 North Korean attack on the U.S helicopter over the DMZ and the August 1977 North Korean declaration of a 50-mile military sea zone, coordinated US-South Korean responses were developed [46:41].

In order for the CINCUNC to continue to enforce his truce-keeping orders, he requires the use of U.S. ground forces. Military leaders believe that the 1953 Armistice would be unenforceable by the U.S. Commander as the CINCUNC without them (46:41).

In summary, the role of the American soldiers in the ROK is threefold: assist with defense, deter attack, and help maintain the military truce. The importance of these roles to Korean national security is reflected in the concerns of senior American military officials. These officers feel that in order to continue to police the stability of the peninsula, the United States cannot transfer the deterrence and truce-keeping functions to the ROK. The third function, assistance with defense, they feel could possibly be performed by the ROK in the early to mid-1980s.

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<sup>44</sup>Prior to 1975, UNC restraint was also brought to bear on South Korean outrage at the 1967 and 1968 commando raids from the North. The raid on the Blue House and attempt on Park Chung Hee's life in January 1968 particularly incensed the South (15:54).



Military posture. The second factor of stability on the Korean peninsula is the posture of both North and South forces. Where the first factor, military balance, was primarily concerned with quantity and quality levels of forces and weapon systems, military posture will be primarily concerned with location, state of readiness, and strategy for employment of armed forces. The military posture of North Korean forces has long intimidated South Korea and has been an item of major concern for U.S. security assistance (73; 55). This section will develop first the North Korean and then the South Korean military posture as it has affected the strategy and application of U.S. security assistance.

North Korean posture: The recent military buildup in North Korea, presented in the Military Balance, has caused U.S. military command authorities to conclude that North Korean forces are in an offensive posture (46:31). The newly recognized depth of the North's army fits in well with the Soviet strategy for conventional warfare adopted by Pyongyang. The strategy consists of three stages, one followed by the other, of successive mass assaults in a direct offensive thrust toward enemy targets (55:49).

Although some analysts disagree as to whether the posture is designed to pose an offensive threat or to be used as a bargaining chip in future force reduction negotiations, the fact remains that the force posture has provided Pyongyang the military option of a surprise attack on the

ROK (46). As proof of the offensive nature of the North's forces, U.S. military commanders cite the following observations (46:31-32; 67:222):

1. The North Korean production and import of offensive weapons such as tanks, armored personnel carriers, and mobile artillery.

2. North Korean storage of 30 to 90 days of supplies would allow the DPRK to endure for a short period without Soviet or PRC aid.

3. North Korean divisions along the DMZ are in a constant state of readiness and can attack with no additional preparations.

4. Forward hardened airfields and large bunkers to house long-range artillery have been built along the DMZ.

5. Three North Korean tunnels under the DMZ have a capacity for passage of 3,000-5,000 troops per hour. Additional tunnels have not been discovered, but are believed to exist.

The current North Korean posture is perhaps the single, most destabilizing factor on the peninsula today (46:33). However, airfields and bunkers are not built in a day, tunnels are not dug overnight, and supplies are not quickly hoarded without being subject to observation. The question, therefore, is why did this buildup occur and what permitted it to be accomplished? The key to answering this question is in the time frame that these developments began to take place. Sometime around 1969, North Korea made the

political commitment to develop extensive offensive capabilities (55:49). Coincidentally, President Nixon had announced his "Nixon Doctrine" in June 1969, which was perceived by many as an American withdrawal from Asian affairs. Speculation leads one to the possibility that the North assumed an opportunist role in hopes of forcing unification of North and South in the event of an American departure. However, actual buildup action did not commence in full until somewhere around 1972. During that period, the U.S. was fully involved in Vietnam. As a result, the Korean peninsula was accorded low priority as an intelligence target (55:49). Experts agree that the period of 1972-1977 marked the period of major buildup action north of the 38th parallel. The low priority, therefore, accorded to intelligence in Korea during the Vietnam conflict may well be responsible for the presently strong posture of the North's forces and the necessity to re-evaluate North Korean strength in 1979 (55:49).

South Korean posture: The ROK military posture is based on the defense of Seoul (71:46). Recall from the discussion of military balance that ROK forces have inferior firepower and airpower in comparison to the DPRK. This factual reality combined with the ease with which the North could detect any mobilization attempt by the South precludes any offensive option for the ROK at the present time (46:33). In addition, while North Korea has been spending 20-30 percent of its GNP

to develop its military posture (73:43), South Korea has chosen not to endanger the economic success brought by adhering to the Five-Year Plans. The ROK chose instead to address the military imbalance by developing a credible defense, first with the 1971-1975 Force Modernization Plan and then with the 1976-1980 Force Improvement Plan (46:33). Although both plans ran behind schedule, the ROK has made significant inroads toward improving its forces.

However, successful completion of the Force Improvement Plan would still not capture a balance of power for the ROK (46:33). A significant development in the ROK that is designed to alleviate the remaining disparity in defense capability was the establishment in 1978 of the U.S.-ROK Combined Forces Command (CFC) (55:50). The concept of operation of the CFC is that strategic plans and policies are developed in Washington and Seoul, and the CFC is responsible for implementing them (55:50).

Exercises held by the CFC were to emphasize defense and interservice coordination for the ROK general staff in order to present a more solid and integrated defense to the North (46:40). In March 1979, the first such exercise by the CFC, Team Spirit '79, was held.<sup>45</sup> The 17-day exercise was the largest to date and included 100,000 ROK and 56,000 U.S. Army, Navy, Air Force, and Marine personnel. A spokesman

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<sup>45</sup>This was actually the fourth annual exercise conducted jointly by U.S. and ROK forces; however, it was the first under the CFC structure (55:50).



for the CFC stressed the continuing emphasis for an improved defensive capability by announcing that Team Spirit was definitely a defensive training exercise (55:50).

Conventional defense is not the only avenue open for the ROK to attain parity with the DPRK. Korean officials have stated their determination to develop tactical nuclear weapons if the U.S. "nuclear umbrella" is withdrawn. However, as was discussed under the nuclear nonproliferation portion of political issues, the prospects for a South Korean effort to develop a nuclear weapon have declined since the announced cessation of U.S. troop reductions in July 1979. The halt in reduction of troops, therefore, assures continued presence of the American nuclear deterrent and does not pose nearly as great a danger to regional stability as would a Korean nuclear bomb (46:33).

The picture on the Korean peninsula is one of a formidably powerful enemy poised north of the 38th parallel and a U.S. ally, just as formidable though not as heavily armed, south of the 38th parallel waiting to ward off a surprise attack on its capital city. U.S. security assistance to that southern ally has encouraged a defensive posture in the past and will most likely continue to do so at least until the ROK is capable of assuming the full weight of its own defensive burden.

#### Summary

From 1975 to 1979, the military threat facing South Korea had increased tremendously. Regional stability and

balance were threatened by an escalated Soviet presence near the PRC border and in the Pacific Ocean. Policy shifts by Japan and the PRC to deal with the increased Soviet threat became evident to the United States in 1979. As a result, President Carter re-evaluated and revised his security assistance policy in the region. To restore a semblance of balance the U.S. announced several measures to be taken on the regional level in July 1979. Among the measures was a commitment to a strong and visible naval presence in the Pacific and the development of an army rapid-reaction force to deal with constant dangers.

As the regional stability and balance changed, so did the military stability between North and South Korea during this time period. North-South military stability seems to consist of two primary factors: military balance and military posture.

The military balance on the peninsula moved to favor the North between 1972 and 1977. In response, U.S. security assistance policy began to evolve. One aspect emphasized the development of Korea's defense industry to improve the quality and technical complexity of outputs. The other aspect recognized that the three roles of U.S. forces (defense assistance, deterrence, and truce keeping) could not have been transferred to the ROK forces as quickly as President Carter had envisioned. As a result, Carter suspended U.S. troop withdrawal plans on July 20, 1979.

In addition to maintaining a military balance of

power on the Korean peninsula, U.S. forces serve to promote a credible defensive posture against the North's obviously offensive posture along the DMZ. The U.S.-Korean Combined Forces Command, activated in 1978, stressed the development and exercising of defensive tactics in preparation for a North Korean surprise attack.

The military issues presented in this chapter are the culmination of the complex political issues and the far-reaching economic developments discussed in previous chapters. Where it is reasonably possible to do so, the following chapter will answer the research questions presented in Chapter 1, suggest conclusions, and make recommendations of the authors regarding U.S.-Korean security assistance.

## Chapter 7

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### Summary of Research Design

U.S.-Korean relations were important for maintaining regional stability in Northeast Asia from 1975 to 1979, and U.S. security assistance to South Korea made a major contribution. The research effort concentrated on identifying the variables that had a correlation to and, therefore, influenced the formulation of policy and/or execution of security assistance to the ROK. Further effort was concentrated on identifying the taxonomic nature of the variables: political, economic and military. The following conclusions and recommendations are designed to provide a more concise conceptualization of the type of political, economic and military considerations that have affected U.S.-ROK security assistance relations from 1975 to 1979. It is the hope of the authors that these conceptualizations and their relatedness can be used to develop and exercise U.S. security assistance to Korea in the 1980s.

#### Research Questions and Conclusions

Question 1. What political, economic and military issues have influenced the execution of American security assistance to the Republic of Korea from 1975 to 1979? The political,



economic and military issues were developed in Chapters 3 through 6 and are presented on the table on the following page. At the outset, the authors stated that a taxonomic division might be impossible. The issues listed are generally relatable to the category to which they are assigned. However, the conclusions that follow for Question 2 serve to illustrate the complexity of these issues as they relate to the various considerations which must be brought into account when the formulation and/or execution of security assistance is considered.

Question 2a. What contribution has security assistance made to political stability in the Republic of Korea? In general, U.S. security assistance has promoted political stability. Three elements seem to provide an accurate assessment of the effects of U.S. security assistance on the ROK's political climate: U.S. support of the Force Improvement Plan (FIP), the U.S. troop withdrawal issue, and the U.S. attempts to re-establish credibility of security assistance commitments.

U.S. support of the FIP by granting FMS credits relaxed pressures on the ROK for defense spending and, instead, encouraged ROK investment to promote economic growth. The continued economic growth rate above 9 percent maintained employment rates at acceptable levels which, in turn, promoted political support of President Park by the Korean people.

Unlike the positive effects of the U.S. support for the FIP, the U.S. troop withdrawal issue could have contributed

TABLE 8  
Issues of U.S. Security Assistance: 1975-1979

| Political                | Economic                              | Military  |
|--------------------------|---------------------------------------|---|
| U.S.-Japan Alliance      | Change from Grant Aid to FMS Credits  | Regional Stability and Balance  |
| U.S.-PRC Relations       | Discontinuance of PL-480 Assistance   | Peninsular Stability<br>Military Balance<br>Force Structure           |
| Nuclear Nonproliferation | Troop Withdrawal Compensation Package | ROK Domestic Defense Production                                       |
| Koreagate                | Economic Growth = Political Stability | Role of U.S. Forces<br>Military Posture<br>South Korea<br>North Korea |

to political unrest in the ROK. In the short run, the result of the U.S. plan to phase out the 2d Infantry Division caused the body politic to unite with President Park in calling for American reconsideration. However, had the program not been cancelled in July 1979 by President Carter, it is expected that President Park would have increased political restraints in order to provide himself greater control for dealing with a perceived increased North Korean threat to national security.

However, the preceding scenario was avoided by U.S. efforts to re-establish credibility of security assistance commitments. The cancellation of the troop withdrawal program in July 1979 and concurrent steps announced by the Carter Administration to increase its regional security assistance commitment are expected to give President Park renewed confidence. As a result, the overall trend of relaxing political controls should continue to foster a more stable political climate in South Korea.

Question 2b. What contribution has security assistance made to economic stability and growth in the Republic of Korea? U.S. security assistance to the ROK during the period from 1975 to 1979 continued to contribute to economic stability and growth. Even though military grant aid was ended in 1975 and Congress voted to discontinue supplies of PL-480 commodities which were sold by the Korean government to support increased defense costs, the overall effect of security assistance was positive. The U.S. decision to

switch to FMS did not place an excessive hardship on the Korean economy as evidenced by Korea's continued economic growth of more than 9 percent annually. While FMS credit cannot be considered as generous as grant aid, FMS credit financing allowed the ROK a reasonable degree of flexibility for managing its national debt and allocating resources to non-defense sectors of the economy. Furthermore, U.S. security assistance commitments continued to support investor confidence and reassure U.S. and multinational lending institutions that Korea's development plans will be reasonably free from security threats.

Question 2c. What contribution has U.S. security assistance made to the strategic military balance on the Korean peninsula? U.S. security assistance measures have been responsible for determining the ROK defensive posture against the North Korean threat. U.S. Army Generals Hollingworth and Stillwell developed the forward defense concept for the Korean capital city of Seoul which drives the requirements for Korean defensive firepower. A portion of that firepower is provided in reserve by the U.S. Army 2d Infantry Division. The 2d Division also acts as a "tripwire" for American involvement. Another portion of the defensive firepower is provided by the USAF's 314th Air Division, which serves to offset the nearly two-to-one advantage in combat aircraft held by North Korea. In their deterrent role, American air and ground forces also provide a limited theater nuclear capability totalling



661 to 686 warheads. The aforementioned aspects of American security assistance have played a significant role in promoting a strategic military balance in the Korean peninsula.

Question 2d. What contribution has security assistance made to regional stability in Northeast Asia? The factors outlined above which contribute to strategic peninsular stability also contribute to the regional stability in Northeast Asia. In addition, the United Nations Command structure that exists in South Korea played a stabilizing role in restraining ROK responses to North Korean provocations. Regional stability as further improved by U.S. moves to regain credibility with its Asian allies by taking the following steps: 1) increased naval presence in the region; 2) declaration that in the near future F-14 and F-15 aircraft would be deployed with U.S. naval and air forces in the region; and 3) designation of South Korea as a potential theater of operation for the 110,000-man rapid-reaction force which has been approved by the Carter Administration.

Question 3. What will be the future role of security assistance in American-ROK relations? Due to American foreign policy objectives in the Pacific region, it appears to the authors that U.S. security assistance in one form or another will continue to play an important role in future American-ROK relations. The next turning point of U.S. security assistance to the ROK could well come in 1981 or shortly thereafter. It is noteworthy that the Fourth Five-Year Plan

(FFYP) is scheduled for completion in 1981 and that the year 1981 was also identified by President Carter for re-evaluation of the U.S. troop withdrawal program. Therefore, if the FFYP meets or exceeds its goals and political conditions are favorable for the United States, the possibility for a resumption of the U.S. troop withdrawal plan seems conceivable.

In conjunction with a reduced ground troop commitment, the future of the ROK also seems to hold the development of a more sophisticated defense industry. In that respect, U.S. security assistance will most likely increase in the technical assistance and information areas to promote a more extensive ROK defense production capability.

While U.S. ground troops will play a less prominent role in future U.S.-ROK relations, it is expected that the USAF commitment will remain in the peninsula to protect U.S. interests in the ROK as well as the region. The relatively paramount nature of the USAF presence is accentuated by the planned arrival in Fiscal Year 1980 of 100 dependent families to Osan Air Base, with an additional 100 dependent families to arrive in Fiscal Year 1981. Furthermore, the U.S. bases in South Korea provide an essential forward operating base capability in Asia for deterrence of interdiction of sea lines of communication to the ROK and Japan. Therefore, American Air Force elements will continue to be a major factor of U.S. security assistance to the ROK.

### Recommendations

The South Korean government declared its intent in the Force Improvement Plan to develop an infrastructure of science and technology to support an independent defense production capability. The ROK has aggressively moved ahead in practically every category of defense weaponry with one notable exception: a sophisticated fighter aircraft. As noted in the research, some U.S. government agencies support proposals to assist South Korea in co-producing a present generation USAF aircraft. Elsewhere in the research it was pointed out that, although the Koreans have been successful in reverse-engineering and implementation of defense weapons technical data packages, they have not invested sufficient resources toward acquiring and adapting quality control techniques. A contribution could be made if research were directed toward an analysis of lessons learned in transferring U.S. quality control programs and procedures.

In the opinion of the authors, the buildup of a sophisticated defense production industry in South Korea implies military sales to other countries. South Korea's economy cannot support a defense industry oriented toward its own domestic defense needs without a correspondingly excessive loss of resources to the non-defense sector. Since the U.S. is the source of most of Korea's defense weapons technical data packages, South Korea must request U.S. concurrence before weapons can be sold to third countries. However, there has been some evidence that South Korea has sold

arms in contravention of U.S. arms transfer policies. The authors recommend that a close examination be made of South Korea's policy objectives regarding its defense production capacity and the extent of U.S. assistance and participation. Careful planning and coordination could minimize or prevent future conflict between two strong allies.



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**BIOGRAPHICAL SKETCHES**

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